

APPLICATION FOR EXEMPTION FROM AUDIT - SHORT FORM
FOR GOVERNMENTS WITH REVENUES AND EXPENDITURES OF \$100,000 OR LESS

Name of Government:	Banning Lewis Ranch Metropolitan District No. 5	For the Fiscal Year ended December 31, 2010 or fiscal year ended:
Address:	2 North Cascade Suite 800 Colorado Springs, CO 80903	
Contact Person:	Christine Harwell	
Telephone:	719-635-0330	
E-Mail:	christine.harwell@cliftoncpa.com	
Fax:	719-473-3630	

Return to: Office of the State Auditor
 Local Government Audit Division
 225 E. 16th Ave., Suite 555
 Denver, CO 80203
FAX: (303) 866-4062
 Email: OSA.LG@state.co.us
 Call (303) 866-3338 if you need help completing this form.

Section 29-1-604, C.R.S. outlines the provisions for an exemption from audit. Generally, any local government where neither revenues nor expenditures exceed \$500,000 in any fiscal year may qualify for an exemption.
If both revenues and expenditures are less than \$100,000 individually, you may use this form.
If either revenues or expenditures are \$100,000, but not more than \$500,000, you must use the long form application for exemption from audit.

Please review ALL instructions prior to the completion of this form.

Instructions: (See "Instructions" tab for additional information)

1. Prepare this form completely and accurately. Please note that there are eleven parts to this form and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year. For years ended December 31, the form **must** be **received** by the Office of the State Auditor by **March 31**.
3. The form **must** be completed by a person skilled in governmental accounting.
4. The application must be personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
 - a. Resolution of the governing board - application may be e-mailed, faxed, or mailed.
 - b. Original signatures - application must be mailed. E-mail or fax will NOT be accepted.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

PART 1 - CERTIFICATION OF PREPARER

1-1	Name:	Christine Harwell
1-2	Title:	Accountant for the District
1-3	Firm (if applicable):	Clifton Gunderson LLP
1-4	Address:	2 North Cascade, Suite 800, Colorado Springs, CO 80903
1-5	Telephone Number:	719-635-0330
1-6	Date Prepared:	February 7, 2011
1-7	Preparer Signature (Required): SEE ACCOUNTANT'S COMPILATION REPORT	
	The person that completes this form must be skilled in governmental accounting. (Skilled means possessing sufficient knowledge of governmental accounting to complete the exemption form.)	Check One
		Yes No
1-8	Are you skilled in governmental accounting? If no, this exemption will be rejected.	X

PART 2 - REVENUE		
REVENUE: All revenues for all funds must be reflected in this section including proceeds from the sale of the government's land, building, and equipment and proceeds from debt or lease transactions. Financial information will not include fund equity information.		
Line#	Description	(Omit cents)
2-1	Taxes: Property	\$ -
2-2	Specific Ownership	\$ -
2-3	Sales and Use	\$ -
2-4	Other (specify):	\$ -
2-5	Licenses and permits	\$ -
2-6	Intergovernmental: Grants	\$ -
2-7	Conservation Trust Funds (Lottery)	\$ -
2-8	Highway Users Tax Funds (HUTF)	\$ -
2-9	Other (specify):	\$ -
2-10	Charges for services	\$ -
2-11	Fines and forfeits	\$ -
2-12	Special assessments	\$ -
2-13	Investment income	\$ -
2-14	Charges for utility services	\$ -
2-15	Debt proceeds	\$ -
2-16	Lease proceeds	\$ -
2-17	Proceeds from sale of capital assets	\$ -
2-18	Fire and police pension	\$ -
2-19	Donations	\$ -
2-20	Other (specify):	\$ -
2-21		\$ -
2-22		\$ -
2-23	TOTAL REVENUE all sources	\$ -

PART 3 - EXPENDITURES		
EXPENDITURES: All expenditures for all funds must be reflected in this section including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.		
Line#	Description	(Omit cents)
3-1	Administrative	\$ -
3-2	Salaries	\$ -
3-3	Payroll taxes	\$ -
3-4	Contract services	\$ -
3-5	Employee benefits	\$ -
3-6	Insurance	\$ -
3-7	Accounting and legal fees	\$ -
3-8	Repair and maintenance	\$ -
3-9	Supplies	\$ -
3-10	Utilities and telephone	\$ -
3-11	Fire/Police	\$ -
3-12	Streets and highways	\$ -
3-13	Public health	\$ -
3-14	Culture and recreation	\$ -
3-15	Utility operations	\$ -
3-16	Capital outlay	\$ -
3-17	Debt service principal	\$ -
3-18	Debt service interest	\$ -
3-19	Contribution to pension plan	\$ -
3-20	Contribution to FPPA	\$ -
3-21	Other (specify):	\$ -
3-22		\$ -
3-23		\$ -
3-24		\$ -
3-25	TOTAL EXPENDITURES all categories	\$ -

Note: If Total Revenue (Line 2-23) or Total Expenditures (Line 3-25) are greater than \$100,000 - STOP, you may not use this form. Please use the "Application for Exemption from Audit - Long Form".

PART 4 - DEBT OUTSTANDING, ISSUED AND RETIRED					
Please answer the following questions by marking the appropriate boxes			Yes	No	
4-1	Does the entity have outstanding debt?				X
If yes:	Is the debt repayment schedule attached? If no, please explain:				
	Please complete the following debt schedule, if applicable:	Outstanding at end of prior year	Issued during fiscal year	Retired during fiscal year	Outstanding at fiscal year end
	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
Please answer the following questions by marking the appropriate boxes			Yes	No	
4-2	Does the entity have any authorized, but unissued debt?			X	
If yes:	How much?	\$	929,500,000		
	Date the debt was authorized:		11/7/2006		
4-3	Does the entity intend to issue debt within the next calendar year (2011)?				X
If yes:	How much?	\$	-		
Please answer the following questions by marking the appropriate boxes			Yes	No	
4-4	Does the entity have debt that has been refinanced that it is still responsible for?				X
If yes:	What is the amount outstanding?	\$	-		
Please answer the following questions by marking the appropriate boxes			Yes	No	
4-5	Does the entity have any lease agreements?				X
If yes:	What is being leased?				
	What is the original date of the lease?				
	Number of years of lease?				
	Is the lease subject to annual appropriation?				
	What are the annual lease payments?	\$	-		
PART 5 - CASH AND INVESTMENTS					
Please provide the entity's cash deposit and investment balances			Amount	Total	
5-1	Checking Accounts		\$ -		
5-2	Savings Accounts		\$ -		
5-3	Certificates of Deposit		\$ -		
	Total Cash Deposits			\$ -	
	Investments (if investment is a mutual fund, please list underlying investments):				
5-4			\$ -		
5-5			\$ -		
5-6			\$ -		
5-7			\$ -		
	Total Investments			\$ -	
	Total Cash and Investments			\$ -	
Please answer the following question by marking in the appropriate box			Yes	No	
5-8	Are the entity's deposits in an eligible (PDPA) public depository (Sec 11-10.5-101 et seq, C.R.S.)? If no, please explain: The District has no cash deposits.				X

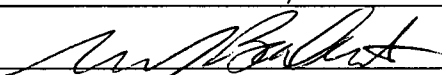
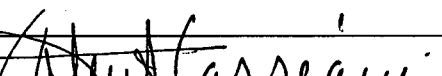
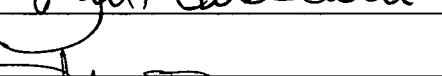
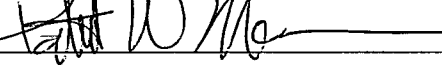
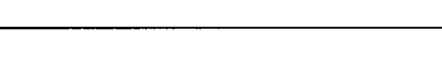
PART 6 - CAPITAL ASSETS				
Please answer the following questions by marking in the appropriate boxes		Yes	No	
6-1	Does the entity have land, buildings, and/or equipment?			X
If yes:	Has the entity performed an annual inventory of property and equipment (capital assets) in accordance with Section 29-1-506 C.R.S.? If no, please explain:			
	Complete the following table:			
		Balance - Beginning of the Year	Additions	Deletions
	Land	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -
	Infrastructure	\$ -	\$ -	\$ -
	Other (explain):	\$ -	\$ -	\$ -

PART 7 - PENSION INFORMATION				
Please answer the following questions by marking in the appropriate boxes		Yes	No	
7-1	Does the entity have an "old hire" firemen's pension plan?			X
7-2	Does the entity have a volunteer firemen's pension plan?			X
If yes:	Who administers the plan?			
	Indicate the contributions from:			
	Tax: (Property, SO, Sales, etc)	\$ -		
	State Contribution Amount	\$ -		
	Other: (Gifts, Donations, etc)	\$ -		
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1st?	\$ -		

PART 8 - BUDGET INFORMATION				
Please answer the following questions by marking in the appropriate boxes		Yes	No	
8-1	Did the entity file a 2010 budget with the Department of Local Affairs? If no, please explain:	X		
If yes:	Please indicate the amount appropriated for each fund for 2010:			
	Fund Name	Budgeted 2010 Expenditures		
	General Fund	\$ -		
		\$ -		
		\$ -		

PART 9 - TABOR			
Please answer the following question by marking in the appropriate box		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution Article X, Section 20 (5)]? If no, please explain:	X	
	Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3% emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.		

PART 10 - GENERAL INFORMATION			
Please answer the following questions by marking in the appropriate boxes		Yes	No
10-1	Is the entity a newly formed governmental entity?		X
If yes:	Date of formation:		
10-2	Is the entity a metropolitan district?	X	
10-3	Please indicate what services the entity provides: Streets, parks & rec., water, sewer, traffic controls, public transportation, fire protection, mosquito control, and translation systems.		
10-4	Does the entity have an agreement with another government to provide services?	X	
If yes:	List the name of the other government entity: Under the Service Plan, the District operates in conjunction with BLR Metro District Nos. 1, 2, 3, 4, 7, and BLR Regional Metro District (formerly BLR No. 6). The District is a Financing District.		
10-5	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the year? (Applicable to Title 32 Special Districts only, pursuant to Section 32-1-103 (9.3); 32-1-104 (3), C.R.S.)	Yes	No - N/A
			X
If yes:	Date Filed:		

PART 11 - GOVERNING BODY APPROVAL			
<p>We, the undersigned, certify that this Application for Exemption from Audit has been: Prepared consistent with Section 29-1-604, C.R.S., which states that an Application with revenues and expenditures of \$100,000 or less must be prepared by a person skilled in governmental accounting; Completed to the best of our knowledge and is accurate and true; Personally reviewed and approved by a majority of the governing body.</p> <p>Note: Please list all current members of the governing body. Original signatures must be provided for a majority of the governing body if the application is mailed, or a resolution may be provided in lieu of original signatures. (Please sign using blue ink.)</p>			
	Name (print names of all current members of the governing body)	Date Term Expires	Original Signature (unless resolution is attached)
1	Gregory J. Barbuto	May 2012	
2	Erena R. Cassiani	May 2012	
3	John A. Cassiani	May 2014	
4	Mindy R. Foltz	May 2012	
5	Patrick W. McNamara	May 2014	
6			
7			



Accountant's Compilation Report

Board of Directors
Banning Lewis Ranch Metropolitan District No. 5
El Paso County, Colorado

We have compiled the Application for Exemption from Audit of Banning Lewis Ranch Metropolitan District No. 5 as of and for the year ended December 31, 2010, included in the accompanying prescribed form. Our compilation is limited to presenting, in the form prescribed by the Colorado State Auditor's Office, information that is the representation of management. We have not audited or reviewed the accompanying Application for Exemption from Audit and, accordingly, do not express an opinion or provide any assurance about whether the Application for Exemption from Audit is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the Application for Exemption from Audit in accordance with accounting principles generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Application for Exemption from Audit.

Our responsibility is to conduct the compilation of the Application for Exemption from Audit in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information within the Application for Exemption from Audit without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the Application for Exemption from Audit.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Colorado State Auditor's Office and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Banning Lewis Ranch Metropolitan District No. 5.

Clifton Gunderson LLP

Colorado Springs, Colorado
February 7, 2011