

# **The Canyons Metropolitan District Nos. 1-11**

## **2014 Consolidated Annual Report**

**THE CANYONS METROPOLITAN DISTRICT NOS. 1-11**

**2014 CONSOLIDATED ANNUAL REPORT  
TO  
THE CITY OF CASTLE PINES**

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Pursuant to the Amended and Restated Service Plan for The Canyons Metropolitan District No 1, and the Amended and Restated Service Plan for The Canyons Metropolitan District Nos. 2-4 and Consolidated Service Plan for The Canyons Metropolitan District Nos. 5-11 (collectively, the “Districts”), the Districts are required to provide an annual report to the City of Castle Pines with regard to the following matters:

**For the year ending December 31, 2014, the Districts make the following report:**

- 1. Boundary changes made or proposed to the Districts’ boundary as of December 31 of the prior year:**

There were no boundary changes made or proposed in 2014.

- 2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year:**

The Districts did not enter into any Intergovernmental Agreements in 2014.

- 3. Copies of the Districts’ rules and regulations, if any, as of December 31 of the prior year:**

As of December 31, 2014, the Districts had not yet adopted rules and regulations.

- 4. A summary of any litigation which involves the Districts’ Public Improvements as of December 31 of the prior year:**

There was no litigation involving the Districts' Public Improvements during the year ending December 31, 2014.

- 5. Status of the Districts’ construction of the Public Improvements as of December 31 of the prior year:**

As of December 31, 2014, the Districts had not yet constructed any Public Improvements.

- 6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year:**

As of December 31, 2014, the Districts had not yet constructed any Public Improvements.

**7. The assessed valuation of the Districts for the current year:**

The Districts received certifications of valuation from the Douglas County Assessor that report a taxable assessed valuation for 2014 as follows:

District No. 1	\$ 220.00	District No. 7	\$ 250.00
District No. 2	\$ 222,210.00	District No. 8	\$ 250.00
District No. 3	\$ 6,110.00	District No. 9	\$ 250.00
District No. 4	\$ 3,710.00	District No. 10	\$ 250.00
District No. 5	\$ 250.00	District No. 11	\$ 250.00
District No. 6	\$ 250.00		

**8. Current year budget including a description of the Public Improvements to be constructed in such year:**

District Nos. 3, 4 and 6-11 are currently inactive and did not adopt budgets for 2015. The 2015 budgets for District Nos. 1, 2 & 5 are attached as **Exhibit A**.

**9. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable:**

District Nos. 3, 4 and 6-11 are currently inactive and did not file an audit or audit exemptions for 2014. The 2014 audit exemptions for District Nos. 1, 2 & 5 are attached as **Exhibit B**.

**10. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument:**

There are no uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

**11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period:**

None.

**EXHIBIT A**  
**2015 Budget**  
**District Nos. 1, 2 & 5**



**CliftonLarsonAllen**

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## **Accountant's Report**

Board of Directors  
The Canyons Metropolitan District No. 1  
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of The Canyons Metropolitan District No. 1 for the General Fund and the Capital Projects Fund for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards 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 forecast.

The actual historical information for the year 2013 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2013.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to The Canyons Metropolitan District No. 1.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
November 25, 2014

**THE CANYONS METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ 9,278	\$ 982
<b>REVENUES</b>			
1 Developer advance	-	296,660	25,055,000
2 Net investment income	7	30	30
3 Transfer from Canyons MD #2	9,255	16,923	16,332
4 Transfer from Canyons MD #5	16	18	18
Total revenues	9,278	313,631	25,071,380
Total funds available	9,278	322,909	25,072,362
<b>EXPENDITURES</b>			
5 General and administration			
6 Accounting	-	18,000	25,000
7 Contingency	-	-	4,000
8 Insurance	-	5,000	7,000
9 Legal	-	40,000	33,000
10 Miscellaneous	-	267	1,000
11 Capital projects			
12 Capital projects	-	100,000	25,000,000
13 Easements	-	108,660	-
14 Fees	-	25,000	-
15 Legal	-	25,000	-
16 Water and sewer	-	-	-
Total expenditures	-	321,927	25,070,000
Total expenditures and transfers out requiring appropriation	-	321,927	25,070,000
ENDING FUND BALANCES	\$ 9,278	\$ 982	\$ 2,362
EMERGENCY RESERVE	\$ 300	\$ 600	\$ 500
TOTAL RESERVE	\$ 300	\$ 600	\$ 500

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
<b>ASSESSED VALUATION - DOUGLAS</b>			
Agricultural	\$ 200	\$ 220	\$ 220
Certified Assessed Value	\$ 200	\$ 220	\$ 220
 <b>MILL LEVY</b>			
 <b>PROPERTY TAXES</b>			
Budgeted Property Taxes	\$ -	\$ -	\$ -
 <b>BUDGETED PROPERTY TAXES</b>			
	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ 9,278	\$ 982
<b>REVENUES</b>			
1 Developer advance	-	38,000	55,000
2 Net investment income	7	30	30
3 Transfer from Canyons MD #2	9,255	16,923	16,332
4 Transfer from Canyons MD #5	16	18	18
Total revenues	9,278	54,971	71,380
Total funds available	9,278	64,249	72,362
<b>EXPENDITURES</b>			
General and administration			
5 Accounting	-	18,000	25,000
6 Contingency	-	-	4,000
7 Insurance	-	5,000	7,000
8 Legal	-	40,000	33,000
9 Miscellaneous	-	267	1,000
Total expenditures	-	63,267	70,000
Total expenditures and transfers out requiring appropriation	-	63,267	70,000
ENDING FUND BALANCES	\$ 9,278	\$ 982	\$ 2,362
EMERGENCY RESERVE	\$ 300	\$ 600	\$ 500
TOTAL RESERVE	\$ 300	\$ 600	\$ 500

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



**THE CANYONS METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	-	258,660	25,000,000
Total revenues	<u>-</u>	<u>258,660</u>	<u>25,000,000</u>
Total funds available	<u>-</u>	<u>258,660</u>	<u>25,000,000</u>
EXPENDITURES			
Capital projects			
2 Capital projects	-	100,000	25,000,000
3 Easements	-	108,660	-
4 Fees	-	25,000	-
5 Legal	-	25,000	-
6 Water and sewer	-	-	-
Total expenditures	<u>-</u>	<u>258,660</u>	<u>25,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>258,660</u>	<u>25,000,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 1**  
**2015 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado. Under the Amended and Restated Service Plan dated October 14, 2009, the District is the Service District related to The Canyons Metropolitan District Nos. 2-11 which serve as the Financing Districts.

The District was formed by District Court Order on December 19, 2001 and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between all Districts.

On November 6, 2001, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

The District prepares its budget on the modified accrual basis of accounting.

**THE CANYONS METROPOLITAN DISTRICT NO. 1  
2015 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue**

**Advances**

The District is in the development stage. As such, the operating, administrative and capital expenditures for 2015 are to be funded by others. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse others from bond proceeds and other available revenue.

**Intergovernmental Revenue**

The intergovernmental revenues are transfers from District Nos. 2 and 5 to provide funding for the overall administrative and operating costs for all four Districts.

**Expenditures**

**Administrative and Operating Expenses**

Operating expenditures include the estimated services necessary to maintain all four Districts' administrative viability such as legal, accounting, insurance and other administrative expenses.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2015 as defined under TABOR.

**Debt and Leases**

The District has no outstanding operating or capital leases.

**This information is an integral part of the accompanying forecasted budget.**



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## **Accountant's Compilation Report**

Board of Directors  
The Canyons Metropolitan District No. 2  
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of The Canyons Metropolitan District No. 2 for the General Fund for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards 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 forecast.

The actual historical information for the year 2013 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2013.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to The Canyons Metropolitan District No. 2.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
November 25, 2014

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
<b>REVENUES</b>			
1 Property taxes	8,658	15,769	15,332
2 Specific ownership taxes	726	1,390	1,230
3 Net investment income	1	1	-
Total revenues	9,385	17,160	16,562
Total funds available	9,385	17,160	16,562
<b>EXPENDITURES</b>			
General and administration			
4 County Treasurer's fees	130	237	230
5 Transfer to Canyons MD #1	9,255	16,923	16,332
Total expenditures	9,385	17,160	16,562
Total expenditures and transfers out requiring appropriation	9,385	17,160	16,562
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
<b>ASSESSED VALUATION - DOUGLAS</b>			
Agricultural	\$ -	\$ -	\$ 17,800
State Assessed	125,650	228,533	203,100
Other	-	-	1,310
Certified Assessed Value	\$ 125,650	\$ 228,533	\$ 222,210
<b>MILL LEVY</b>			
GENERAL FUND	69.000	69.000	69.000
Total Mill Levy	69.000	69.000	69.000
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 8,670	\$ 15,769	\$ 15,332
Levied property taxes	8,670	15,769	15,332
Adjustments to actual/rounding	(12)	-	-
Budgeted Property Taxes	\$ 8,658	\$ 15,769	\$ 15,332
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 8,658	\$ 15,769	\$ 15,332
	\$ 8,658	\$ 15,769	\$ 15,332

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**2015 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado. Under the Amended and Restated Service Plan dated October 14, 2009, the District serves as Financing District and is related to The Canyons Metropolitan District No. 1 which is the Service District. Districts Nos. 3-11 also serve as Financing Districts.

The District was formed by District Court Order on December 19, 2001 and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between all Districts, which shall constitute contractual debt of the Financing Districts.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

The District prepares its budget on the modified accrual basis of accounting.

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**2015 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue**

**Property Taxes**

The District set a mill levy for property taxes collectible in 2015 to fund a portion of its operations. The calculation of the taxes levied is displayed on page 3 at the adopted mill levy of 69.000 mills.

**Specific Ownership Tax**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 8% of the property taxes collected by the General Fund.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Intergovernmental Expenditures**

Intergovernmental expenditures are transfers to District No. 1 to provide funding for the overall administrative and operating costs for the Districts.

**Debt and Leases**

The District has no outstanding debt nor any operating or capital leases.

**Reserves**

**Emergency Reserves**

District No. 1 has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for all three Districts for 2015 as defined under TABOR.

**This information is an integral part of the accompanying forecasted budget.**





**CliftonLarsonAllen**

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## **Accountant's Compilation Report**

Board of Directors  
The Canyons Metropolitan District No. 5  
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of The Canyons Metropolitan District No. 5 for the General Fund for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards 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 forecast.

The actual historical information for the year 2013 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2013.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to The Canyons Metropolitan District No. 5.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
November 25, 2014

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**GENERAL FUND**  
**FORECASTED 2015 BUDGET AS ADOPTED**  
**WITH 2013 ACTUAL AND 2014 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	16	17	17
2 Specific ownership taxes	1	1	1
Total revenues	17	18	18
Total funds available	17	18	18
EXPENDITURES			
General and administration			
3 County Treasurer's fees	1	-	-
4 Transfer to Canyons MD #1	16	18	18
Total expenditures	17	18	18
Total expenditures and transfers out requiring appropriation	17	18	18
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

11/25/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
<b>ASSESSED VALUATION - DOUGLAS</b>			
Agricultural	\$ 230	\$ 250	\$ 250
Certified Assessed Value	<u>\$ 230</u>	<u>\$ 250</u>	<u>\$ 250</u>
<b>MILL LEVY</b>			
GENERAL FUND	69.000	69.000	69.000
Total Mill Levy	<u>69.000</u>	<u>69.000</u>	<u>69.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 16	\$ 17	\$ 17
Budgeted Property Taxes	<u>\$ 16</u>	<u>\$ 17</u>	<u>\$ 17</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 16	\$ 17	\$ 17
	<u>\$ 16</u>	<u>\$ 17</u>	<u>\$ 17</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**2015 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado. Under the Amended and Restated Service Plan dated October 14, 2009, the District serves as Financing District and is related to The Canyons Metropolitan District No. 1 which is the Service District. Districts Nos. 2-4 and 6-11 also serve as Financing Districts.

The District was formed by District Court Order on December 19, 2001 and held its organizational meeting on March 14, 2002. The relationship between the Service District and Financing Districts, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the development, will be established by means of a Master Intergovernmental Agreement between all Districts, which shall constitute contractual debt of the Financing Districts.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$151,000,000 for the above listed facilities and an equal amount for refunding debt. The voters also authorized debt of \$5,000,000 for the costs of operating and maintaining the District's systems and \$10,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

On November 4, 2014, District voters approved authorization to increase property taxes up to \$100,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$100,000,000, annually, as necessary to pay for the capital expenditures of the District. Debt authorization was approved in the amount of \$2,260,000,000 for the above listed facilities and \$226,000,000 for refunding debt. The voters authorized debt of \$226,000,000 for the costs of operating and maintaining the District's systems and \$50,000,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property. The voters also authorized \$226,000,000 in debt for both Intergovernmental Agreements and Private Agreements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. This limit is to be adjusted for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

The District prepares its budget on the modified accrual basis of accounting.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2015 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue**

**Property Taxes**

The District set a mill levy for property taxes collectible in 2015 to fund a portion of its operations. The calculation of the taxes levied is displayed on page 3 at the adopted mill levy of 69.000 mills.

**Specific Ownership Tax**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 8% of the property taxes collected by the General Fund.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Intergovernmental Expenditures**

Intergovernmental expenditures are transfers to District No. 1 to provide funding for the overall administrative and operating costs for the Districts.

**Debt and Leases**

The District has no outstanding debt nor any operating or capital leases.

**Reserves**

**Emergency Reserves**

District No. 1 has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for all three Districts for 2015 as defined under TABOR.

**This information is an integral part of the accompanying forecasted budget.**

**EXHIBIT B**  
**Audit Exemption**  
**District Nos. 1, 2 & 5**



June 10, 2015

Board Of Directors  
Canyons Metropolitan District No. 1  
8390 E. Crescent Pkwy.  
Greenwood Village, Co 80111

Suite 500

RE: 1031.01

Dear Board Of Directors:

We have reviewed the Application for Exemption from Audit of Canyons Metropolitan District. Based on our review, the December 31, 2014 Application for Exemption from Audit has been approved. We noted the following items that we believe deserve your attention:

The application discloses that the District did not conduct an annual inventory of property. Both generally accepted accounting principles and the Local Government Audit Law require that capital assets be recorded in the financial records of the local government. In addition, the Local Government Uniform Accounting Law (Section 29-1-506, C.R.S.) requires an annual inventory of property of the local government. One purpose of the annual inventory of capital assets is to determine if there are any potential changes to those capital assets.

Changes effective for periods beginning after January 1, 2015:

Senate Bill 15-024, passed during the 2015 Legislative Session, increased the maximum threshold for the application for exemption from audit to \$750,000. All applications for exemption from audit are subject to review by and approval of the State Auditor in accordance with the Local Government Audit Law, Section 29-1-601 et seq., C.R.S. Applications must be completed in accordance with regulations issued by the state auditor. We strongly advise that you familiarize yourself with the new requirements and all provisions of the Local Government Audit Law. Please consult our web site for current requirements prior to preparing your application for exemption from audit for the year December 31, 2015 which will be due March 31, 2016.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at: [www.leg.state.co.us/OSA/coauditor1.nsf](http://www.leg.state.co.us/OSA/coauditor1.nsf)

Sincerely,

Crystal L. Dorsey, CPA  
Local Government Audit Manager

cc: Colorado Department of Local Affairs, Division of Local Government



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May 13, 2015

Board Of Directors  
Canyons Metropolitan District No. 2  
8390 E. Crescent Pkwy.  
Greenwood Village, CO 80111

Suite 500

RE: 1031.02

To Whom it May Concern:

We have reviewed the Applications for Exemption from Audit of the Canyons Metropolitan District No. 2. Based on our review, the 12/31/2014 Application for Exemption from Audit has been approved.

Changes effective for periods beginning after January 1, 2015:

Senate Bill 15-024, passed during the 2015 Legislative Session, increased the maximum threshold for the application for exemption from audit to \$750,000. All applications for exemption from audit are subject to review by and approval of the State Auditor in accordance with the Local Government Audit Law, Section 29-1-601 et seq., C.R.S. Applications must be completed in accordance with regulations issued by the state auditor. We strongly advise that you familiarize yourself with the new requirements and all provisions of the Local Government Audit Law. Please consult our web site for current requirements prior to preparing your application for exemption from audit for the year December 31, 2015 which will be due March 31, 2016.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at: [www.leg.state.co.us/OSA/coauditor1.nsf](http://www.leg.state.co.us/OSA/coauditor1.nsf)

Sincerely,

Crystal L. Dorsey, CPA  
Local Government Audit Manager

cc: Colorado Department of Local Affairs  
Division of Local Governments



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June 09, 2015

Board Of Directors  
Canyons Metropolitan District No. 5  
8390 E. Crescent Pkwy.  
Greenwood Village, CO 80111

Suite 500

RE: 1030.06

To Whom it May Concern:

We have reviewed the Applications for Exemption from Audit of the Canyons Metropolitan District No. 5. Based on our review, the 12/31/2014 Application for Exemption from Audit has been approved.

Changes effective for periods beginning after January 1, 2015:

Senate Bill 15-024, passed during the 2015 Legislative Session, increased the maximum threshold for the application for exemption from audit to \$750,000. All applications for exemption from audit are subject to review by and approval of the State Auditor in accordance with the Local Government Audit Law, Section 29-1-601 et seq., C.R.S. Applications must be completed in accordance with regulations issued by the state auditor. We strongly advise that you familiarize yourself with the new requirements and all provisions of the Local Government Audit Law. Please consult our web site for current requirements prior to preparing your application for exemption from audit for the year December 31, 2015 which will be due March 31, 2016.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at: [www.leg.state.co.us/OSA/coauditor1.nsf](http://www.leg.state.co.us/OSA/coauditor1.nsf)

Sincerely,

Crystal L. Dorsey, CPA  
Local Government Audit Manager

cc: Colorado Department of Local Affairs  
Division of Local Governments



We Set the Standard for Good Government