

**THE CANYONS METROPOLITAN DISTRICT
NOS. 1-6 & 8-11**

2019 CONSOLIDATED ANNUAL REPORT

THE CANYONS METROPOLITAN DISTRICT NOS. 1-6 & 8-11

**2019 CONSOLIDATED ANNUAL REPORT
TO
THE CITY OF CASTLE PINES**

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

For the year ending December 31, 2019, the Districts make the following report:

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

In 2019, The Canyons Metropolitan District No. 2 (“**District No. 2**”) excluded property from its boundary, and The Canyons Metropolitan District No. 4 (“**District No. 4**”) included property within its boundary.

The recorded Order for Exclusion for District No. 2 is attached hereto as **Exhibit A**, and the recorded Order for Inclusion for District No. 4 is attached hereto as **Exhibit B**.

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

The City and District No. 4 proposed entering into a City Operations Mill Levy IGA whereby District No. 4 would levy a mill levy and remit the revenues therefrom to the City to be used by the City for the upkeep, operation, maintenance, repair and replacement of certain improvements benefiting the District to be maintained by the City.

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

As of December 31, 2019, 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:

To our actual knowledge, based on review of the court records in Douglas County, Colorado there is no litigation involving the Districts’ Public Improvements as of December 31, 2019.

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

As of December 31, 2019, the Districts has not yet constructed any Public Improvements. The Public Improvements serving and benefitting property within The Canyons Metropolitan District

No. 5 and The Canyons Metropolitan District No. 6 are being constructed by The Canyons Metropolitan District No. 7.

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, 2019, the Districts had not yet dedicated any Public Improvements to the City. The Public Improvements serving and benefitting property within The Canyons Metropolitan District No. 5 and The Canyons Metropolitan District No. 6 are being constructed by The Canyons Metropolitan District No. 7.

7. The assessed value of the Districts for the report year:

The Districts received certifications of valuation from the Douglas County Assessor that report a taxable assessed valuation for 2019 as follows:

District No. 1	\$ 270.00	District No. 6	\$ 8,754,860.00
District No. 2	\$ 446,130.00	District No. 8	\$ 310.00
District No. 3	\$ 310.00	District No. 9	\$ 310.00
District No. 4	\$ 4,370.00	District No. 10	\$ 310.00
District No. 5	\$ 8,754,870.00	District No. 11	\$ 310.00

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

The Canyons Metropolitan District Nos. 3 and 8-11 are currently inactive and did not adopt budgets for 2020. The 2020 budgets for The Canyons Metropolitan District Nos. 1, 2, 4, 5 & 6 are attached as **Exhibit C**. The Districts do not plan to construct any public improvements during 2020.

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:

The Canyons Metropolitan District Nos. 3 and 8-11 were inactive in 2019 and did not file audits or audit exemptions for 2019. The 2019 audit exemption approval letter and applications for The Canyons Metropolitan District Nos. 1, 2, & 4 are attached as **Exhibit D**. The 2019 Audits for The Canyons Metropolitan District Nos. 5 & 6 are attached hereto as **Exhibit E**.

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
Order for Exclusion for District No. 2

DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	DATE FILED: December 13, 2019 10:50 AM
In the Matter of: CANYONS METROPOLITAN DISTRICT NO 2	
△ COURT USE ONLY △	
Case Number: 2001CV757	Division: 3 Courtroom:
Order for Exclusion of Property, Parcel 3, Superblock Plat No. 1	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 12/13/2019



DAVID JOHN STEVENS
District Court Judge

COMBINED COURT
STATE OF COLORADO } ss.
Douglas County.
CERTIFIED to be a full, true and correct copy of the original in my custody.

DEC 16 2019

CHERYLA LAYNE
Clerk of the Combined Court
By _____ Deputy



DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (303) 663-7200	▲ COURT USE ONLY ▲ Case Number: 2001CV757 Division: 1 Courtroom:
Petitioner: THE CANYONS METROPOLITAN DISTRICT NO. 2	
By the Court:	
ORDER FOR EXCLUSION (Parcel 3, Superblock Plat No. 1)	

THIS MATTER comes before the Court pursuant to § 32-1-501(1), C.R.S., on Motion for an Order for Exclusion of property from the boundaries of The Canyons Metropolitan District No. 2, City of Castle Pines, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby excluded from the boundaries of the District.
2. As of the date of this Order, there is no outstanding bonded indebtedness of the District for which the Property will be liable.
3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.
4. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS _____ day of NOVEMBER, 2019.

BY THE COURT:

District Court Judge

Attachment to Order - 2001CV757

EXHIBIT A
(Legal Description of Exclusion Property)

Parcel 3 of The Canyons Superblock Plat No. 1 recorded December 18, 2015 at Reception Number 2015090038.

Attachment to Order - 2001CV757

EXHIBIT B
Order for Inclusion for District No. 4

DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 Justice Way, Castle Rock, CO, 80109-7546	
	DATE FILED: December 11, 2019 8:55 AM
In the Matter of: CANYONS METROPOLITAN DISTRICT NO 4	
△ COURT USE ONLY △	
Case Number: 2001CV759	
Division: 3 Courtroom:	
Order for Inclusion of Property, Parcel 3, Superblock Plat No. 1	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 12/11/2019



DAVID JOHN STEVENS
District Court Judge

COMBINED COURT
STATE OF COLORADO } ss.
Douglas County.
CERTIFIED to be a full, true and correct copy of the original in my custody.

DEC 12 2019

CHERYLA LAYNE
Clerk of the Combined Court
By _____ Deputy



DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (303) 663-7200		▲ COURT USE ONLY ▲
Petitioner: THE CANYONS METROPOLITAN DISTRICT NO. 4		
By the Court:		Case Number: 2001CV759 Division: 1 Courtroom: ____
ORDER FOR INCLUSION (Parcel 3, Superblock Plat No. 1)		

THIS MATTER comes before the Court pursuant to § 32-1-401(1), C.R.S., on Motion for an Order for Inclusion of property into the boundaries of The Canyons Metropolitan District No. 4, City of Castle Pines, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby included within the boundaries of the District.

2. That in accordance with § 32-1-402(1)(b), C.R.S., after the date of this Order, the Property shall be subject to all of the taxes and charges imposed by the District and shall be liable for its proportionate share of existing bonded indebtedness of the District, except as owners may be exempt by law.

3. In accordance with § 32-1-402(1)(c), C.R.S., the Property shall be liable for its proportionate share of annual operation and maintenance charges and the cost of facilities of the District and taxes, rates, fees, tolls or charges shall be certified and levied or assessed therefor.

4. In accordance with § 32-1-402(1)(f), C.R.S., the District's facility and service standards which are applied within the included area shall be compatible with the facility and service standards of adjacent municipalities.

5. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.

DONE AND EFFECTIVE THIS ____ DAY OF NOVEMBER, 2019.

BY THE COURT:

District Court Judge

Attachment to Order - 2001CV759

EXHIBIT A
(Legal Description of Inclusion Property)

Parcel 3 of The Canyons Superblock Plat No. 1 recorded December 18, 2015 at Reception Number 2015090038.

Attachment to Order - 2001CV759

EXHIBIT C
2020 Budgets
District Nos. 1, 2, 4, 5
& 6



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Accountants' Compilation Report

Board of Directors
The Canyons Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of The Canyons Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019 and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

Greenwood Village, Colorado
January 23, 2020

**THE CANYONS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

01/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 4,103	\$ 1,004	\$ 1,000
Interest income	134	115	75
Developer advance	17,712	20,484	21,234
Transfers from District #2	16,268	16,017	33,191
Total revenues	<u>34,114</u>	<u>36,616</u>	<u>54,500</u>
Total funds available	<u>38,217</u>	<u>37,620</u>	<u>55,500</u>
EXPENDITURES			
General and administrative			
Accounting	16,233	15,000	16,500
Dues and membership	1,456	1,453	1,650
Insurance and bonds	10,170	9,667	10,500
Legal	8,163	10,000	20,000
Miscellaneous	100	500	1,000
Election expense	1,091	-	2,000
Contingency	-	-	2,850
Total expenditures	<u>37,213</u>	<u>36,620</u>	<u>54,500</u>
Total expenditures and transfers out requiring appropriation	<u>37,213</u>	<u>36,620</u>	<u>54,500</u>
ENDING FUND BALANCE	<u>\$ 1,004</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
EMERGENCY RESERVE	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 1,000</u>
TOTAL RESERVE	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 1,000</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
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

01/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Agricultural	\$ 250	\$ 250	\$ 270
Certified Assessed Value	\$ 250	\$ 250	\$ 270
MILL LEVY			
General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

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
2020 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 and the District operates in connection with District Nos. 2 – 4 and 8 - 11.

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 the applicable Districts as the project evolves.

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 adjustment only applies to the debt service portion of the mill levy.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**THE CANYONS METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures are to be funded by the Developer. 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 No. 2 to provide funding for the overall administrative and operating costs for District Nos. 1 – 4 and 8 - 11.

Expenditures

Administrative and Operating Expenses

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

Debt and Leases

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.



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Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of The Canyons Metropolitan District No. 2 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019 and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 23, 2020

THE CANYONS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

01/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	14,913	14,835	30,783
Specific ownership tax	1,577	1,400	2,770
Interest income	2	5	100
Total revenues	<u>16,492</u>	<u>16,240</u>	<u>33,653</u>
Total funds available	<u>16,492</u>	<u>16,240</u>	<u>33,653</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	224	223	462
Transfer to Canyons MD #1	<u>16,268</u>	<u>16,017</u>	<u>33,191</u>
Total expenditures	<u>16,492</u>	<u>16,240</u>	<u>33,653</u>
requiring appropriation	<u>16,492</u>	<u>16,240</u>	<u>33,653</u>
ENDING FUND BALANCE	<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. 2
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

01/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Agricultural	\$ 8,580	\$ 8,450	\$ 8,870
State assessed	206,600	205,600	436,600
Other	950	950	660
Certified Assessed Value	\$ 216,130	\$ 215,000	\$ 446,130
MILL LEVY			
General	69.000	69.000	69.000
Total mill levy	69.000	69.000	69.000
PROPERTY TAXES			
General	\$ 14,912	\$ 14,835	\$ 30,783
Levied property taxes	14,912	14,835	30,783
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	\$ 14,913	\$ 14,835	\$ 30,783
BUDGETED PROPERTY TAXES			
General	\$ 14,913	\$ 14,835	\$ 30,783
	\$ 14,913	\$ 14,835	\$ 30,783

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
2020 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 and the District operates in connection with District Nos. 1, 3, 4 and 8 - 11.

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 the applicable Districts as the project evolves.

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 adjustment only applies to the debt service portion of the mill levy.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**THE CANYONS METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

The District sets a mill levy for property taxes collectible to fund a portion of its operations. The calculation of the taxes levied is displayed the property tax page of the budget.

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 budget assumes that the District's share will be equal to approximately 9% 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 District and Districts 1, 3 – 4 and 8 -11.

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 the District as defined under TABOR.

This information is an integral part of the accompanying budget.



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Accountants' Compilation Report

Board of Directors
The Canyons Metropolitan District No. 4

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of The Canyons Metropolitan District No. 4 for the year ending December 31, 2020 and for the year ending December 31, 2019, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to The Canyons Metropolitan District No. 4.

Greenwood Village, Colorado
January 23, 2020

**THE CANYONS METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

01/23/20

	BUDGET 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUES		
Total revenues	-	-
Total funds available	-	-
EXPENDITURES		
Total expenditures	-	-
Total expenditures and transfers out requiring appropriation	-	-
ENDING FUND BALANCE	\$ -	\$ -

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. 4
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

01/23/20

BUDGET 2019	BUDGET 2020
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ASSESSED VALUATION - DOUGLAS	BUDGET 2019	BUDGET 2020
Agricultural	\$ 3,910	\$ 4,110
Other	260	260
Certified Assessed Value	\$ 4,170	\$ 4,370
MILL LEVY		
Total mill levy	0.000	0.000
PROPERTY TAXES		
Budgeted property taxes	\$ -	\$ -

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. 4
2020 AND 2019 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 and the District operates in connection with District Nos. 1 – 3 and 8 - 11.

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 the applicable Districts as the project evolves.

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 adjustment only applies to the debt service portion of the mill levy.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**THE CANYONS METROPOLITAN DISTRICT NO. 4
2020 AND 2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District does not anticipate financial activity in the years presented; therefore, no emergency reserve is required.

This information is an integral part of the accompanying budget.



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Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 5

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of The Canyons Metropolitan District No. 5 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 23, 2020

**THE CANYONS METROPOLITAN DISTRICT NO. 5
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 51,068,002	\$ 39,843,808	\$ 13,661,495
REVENUES			
Property taxes	597	603	399,598
Specific ownership taxes	63	60	35,875
Interest income	797,624	650,000	65,000
Developer advance	52,120	69,816	7,361,716
Acceptance of reimbursable costs	9,037,157	25,325,669	22,521,467
Facilities fees	-	1,576,000	1,428,000
PIF revenue	-	168,000	984,988
Bond issuance - Series C	-	-	9,950,000
Total revenues	<u>9,887,561</u>	<u>27,790,148</u>	<u>42,746,644</u>
TRANSFERS IN	<u>38,439</u>	-	-
Total funds available	<u>60,994,002</u>	<u>67,633,956</u>	<u>56,408,139</u>
EXPENDITURES			
General Fund	47,329	58,820	66,000
Debt Service Fund	2,898,303	2,902,303	4,098,411
Capital Projects Fund	18,166,123	51,011,338	45,338,434
Total expenditures	<u>21,111,755</u>	<u>53,972,461</u>	<u>49,502,845</u>
TRANSFERS OUT	<u>38,439</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>21,150,194</u>	<u>53,972,461</u>	<u>49,502,845</u>
ENDING FUND BALANCES	<u>\$ 39,843,808</u>	<u>\$ 13,661,495</u>	<u>\$ 6,905,294</u>
EMERGENCY RESERVE	\$ 1	\$ 10	\$ 400
RESERVE FUND	4,529,294	4,529,294	4,529,294
SURPLUS FUND	-	1,910,140	2,375,000
TOTAL RESERVE	<u>\$ 4,529,295</u>	<u>\$ 6,439,444</u>	<u>\$ 6,904,694</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
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION - DOUGLAS			
Agricultural	\$ 11,890	\$ 12,020	\$ 7,920
Natural Resources	1,310	1,310	1,600
Vacant Land	-	-	8,725,250
State Assessed	-	-	20,100
Certified Assessed Value	<u>\$ 13,200</u>	<u>\$ 13,330</u>	<u>\$ 8,754,870</u>
MILL LEVY			
General	1.000	1.000	1.112
Debt Service	44.222	44.222	44.531
Total mill levy	<u>45.222</u>	<u>45.222</u>	<u>45.643</u>
PROPERTY TAXES			
General	\$ 13	\$ 13	\$ 9,735
Debt Service	584	589	389,863
Levied property taxes	<u>597</u>	<u>602</u>	<u>399,598</u>
Adjustments to actual/rounding	-	1	-
Budgeted property taxes	<u>\$ 597</u>	<u>\$ 603</u>	<u>\$ 399,598</u>
BUDGETED PROPERTY TAXES			
General	\$ 13	\$ 13	\$ 9,735
Debt Service	584	590	389,863
	<u>\$ 597</u>	<u>\$ 603</u>	<u>\$ 399,598</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
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ (2,252)	\$ (5,010)	\$ 1,000
REVENUES			
Property taxes	13	13	9,735
Specific ownership taxes	1	1	875
Developer advance	44,557	64,816	55,390
Total revenues	<u>44,571</u>	<u>64,830</u>	<u>66,000</u>
Total funds available	<u>42,319</u>	<u>59,820</u>	<u>67,000</u>
EXPENDITURES			
General and administrative			
Accounting	27,331	30,000	31,500
Auditing	4,500	4,500	4,500
County Treasurer's fee	-	-	146
Dues and licenses	300	312	500
Insurance and bonds	3,981	4,008	4,250
Legal services	10,020	20,000	21,000
Miscellaneous	-	-	1,000
Election expense	1,197	-	2,000
Contingency	-	-	1,104
Total expenditures	<u>47,329</u>	<u>58,820</u>	<u>66,000</u>
Total expenditures and transfers out requiring appropriation	<u>47,329</u>	<u>58,820</u>	<u>66,000</u>
ENDING FUND BALANCE	<u>\$ (5,010)</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
EMERGENCY RESERVE	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 400</u>
TOTAL RESERVE	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 400</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
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 11,775,056	\$ 9,112,508	\$ 8,129,854
REVENUES			
Property taxes	584	590	389,863
Specific ownership taxes	62	59	35,000
Interest income	191,170	175,000	35,000
Facilities fees	-	1,576,000	1,428,000
Developer advance	5,500	-	-
PIF revenue	-	168,000	984,988
Total revenues	<u>197,316</u>	<u>1,919,649</u>	<u>2,872,851</u>
TRANSFERS IN			
Transfers from capital projects fund	<u>38,439</u>	-	-
Total funds available	<u>12,010,811</u>	<u>11,032,157</u>	<u>11,002,705</u>
EXPENDITURES			
General and administrative			
Accounting	-	4,000	10,000
County Treasurer's fee	9	9	5,848
Paying agent fees	5,500	5,500	5,500
Debt Service			
Bond interest - Series 2017A	2,892,794	2,892,794	2,892,794
Bond interest - Series 2017B	-	-	1,184,269
Total expenditures	<u>2,898,303</u>	<u>2,902,303</u>	<u>4,098,411</u>
Total expenditures and transfers out requiring appropriation	<u>2,898,303</u>	<u>2,902,303</u>	<u>4,098,411</u>
ENDING FUND BALANCE	<u>\$ 9,112,508</u>	<u>\$ 8,129,854</u>	<u>\$ 6,904,294</u>
RESERVE FUND	\$ 4,529,294	\$ 4,529,294	\$ 4,529,294
SURPLUS FUND	-	1,910,140	2,375,000
TOTAL RESERVE	<u>\$ 4,529,294</u>	<u>\$ 6,439,434</u>	<u>\$ 6,904,294</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
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 39,295,198	\$ 30,736,310	\$ 5,530,641
REVENUES			
Interest income	606,454	475,000	30,000
Developer advance	2,063	5,000	7,306,326
Acceptance of reimbursable costs	9,037,157	25,325,669	22,521,467
Bond issuance - Series C	-	-	9,950,000
Total revenues	<u>9,645,674</u>	<u>25,805,669</u>	<u>39,807,793</u>
Total funds available	<u>48,940,872</u>	<u>56,541,979</u>	<u>45,338,434</u>
EXPENDITURES			
General and Administrative			
Accounting	1,103	3,000	3,000
Legal services	1,596	2,000	5,000
Capital Projects			
Bond issue costs	-	-	99,500
Repay Developer advance	2,766	5,000	8,000
Repay interest	86,344	350,000	180,000
Recognition of costs	9,037,157	25,325,669	22,521,467
Repayment of reimbursable costs	9,037,157	25,325,669	22,521,467
Total expenditures	<u>18,166,123</u>	<u>51,011,338</u>	<u>45,338,434</u>
TRANSFERS OUT			
Transfers to debt service fund	<u>38,439</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>18,204,562</u>	<u>51,011,338</u>	<u>45,338,434</u>
ENDING FUND BALANCE	<u>\$ 30,736,310</u>	<u>\$ 5,530,641</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. 5
2020 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 and the District operates in connection with Districts Nos. 1 - 4 and 6 - 11.

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 District No. 5, District No. 6, and District No. 7, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the property are outlined in the Master Reimbursement Agreement executed December 29, 2015 by the District and District Nos. 6 and 7.

On May 4, 2010, 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 \$1,300,000,000 for the above listed facilities and \$100,000,000 for refunding debt. 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 \$226,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$226,000,000, 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 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 (for the debt portion of the mill levy only) so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the property tax page of the Budget and is pursuant to the Master Reimbursement Agreement. Collectively, Districts Nos. 5, 6, and 7 are permitted to levy 69.000 mills, subject to being adjusted for changes in the assessment ration which brings the total mill levy for all three districts to 76.812 mills. The total adopted mill levy is shown on the Property Tax Summary page of the budget.

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 budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$4,000 on each residential lot within the boundaries of the District. Such fees are allowed to increase the lesser of 5% annually or the percentage increase in the Denver-Boulder Consumer price index percentage increase for the prior year, effective January 1, 2017. The Facilities Fees are due and payable on the earlier to occur of (i) the initial transfer of a residential lot to a third party builder or (ii) the issuance of a building permit for a residential unit.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Public Improvement Fee (PIF)

The Mixed-Use Owner has imposed a Public Improvement Fee (“PIF”) through the Declaration of Covenants Imposing And Implementing The North Canyons Public Improvements Fee (“PIF Covenant”). The PIF rate applicable to Construction Activities is 50% of the applicable Use Tax rate pursuant to the City’s Sales/Use Tax Ordinance. Construction Activities is defined in the PIF Covenant as the use of building and construction materials for incorporation into the construction of any new building. Eighty percent (80%) of the PIF Revenue is collected by the District and pledged to the payment of the 2016 Bonds. The PIF is due prior to obtaining a building permit.

Expenditures

County Treasurer’s Fees

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

General and Administrative

General and administrative expenditures have been provided based on estimates of the District’s Board of Directors and consultants and include the services necessary to maintain the District’s administrative viability such as accounting, legal, insurance, and other administrative expenditures.

Debt Service

Interest payments are provided based on the attached debt to maturity schedule for the Series 2017A bonds.

The District anticipates an interest payment on the Series 2017B bonds. A debt to maturity schedule is not attached due to the cash flow nature of these Bonds.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On May 24, 2017 the District issued \$47,500,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2017A Bonds were used to:

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

- (a) finance the acquisition, construction, and installation of certain public improvements;
- (b) refund the outstanding balance on the 2016 Bonds (defined below);
- (c) fund the Capitalized Interest Fund;
- (d) fund the Senior Reserve Fund; and
- (e) pay the costs of issuing the Bonds.

The Series 2017A Bonds bear interest at rates ranging from 6.000% to 6.125%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the Series 2017A Bonds are due on December 1, beginning on December 1, 2026. The Series 2017A Bonds mature on December 1, 2047.

The Series 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Property Tax Revenues;
- (b) the Senior Specific Ownership Tax Revenues attributable to the Senior Required Mill Levy;
- (c) Capital Fees, including particularly and without limitation, the Facilities Fees;
- (d) Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Pledged Revenue that is not needed to pay debt service on the Series 2017A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$2,375,000. The Senior Surplus Fund is established and held as an account of the Trustee, and moneys therein are to be used solely for the purpose of paying the principal of and interest on the Series 2017A Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the Series 2017A Bonds shall be applied to the payment of the Series 2017A Bonds.

The Series 2017A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was funded with proceeds from the Series 2017A Bonds in the amount of the Required Reserve of \$4,529,294.

The Series 2017A Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 40 mills (as adjusted). For so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 40 mills (as adjusted to 44.531), or such lesser amount that will generate Senior Property Tax Revenues (i) sufficient to pay the principal of, premium if any, and interest on the Series 2017A

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (ii) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the Series 2017A Bonds in full. Such maximum and minimum mill levies are subject to adjustment per changes in the residential assessment rate.

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On May 24, 2017 the District issued \$11,925,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2017B Bonds were used to finance the acquisition, construction, and installation of certain public improvements.

The Series 2017B Bonds bear an interest rate of 8.00% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest thereof prior to the final maturity date. Rather, principal on the Series 2017B Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2017B Bonds on December 15 of the then current year. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal or interest on the Series 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

The Series 2017B Bonds are secured by and payable solely from the following sources, net of any costs of collection, to the extent not previously deducted by definition, (the "Subordinate Pledged Revenue"):

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fee Revenue, including particularly and without limitation, the Facilities Fees;
- (d) all Subordinate PIF Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Pursuant to the Series 2017B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 40 mills (as adjusted from January 1, 2009 to 44.531) less the Senior Required Mill Levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2017B Bonds in full.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Series 2016 Limited Tax General Obligation and Special Revenue Bonds

The District previously authorized its Limited Tax General Obligation and Special Revenue Bonds, Series 2016, in the aggregate principal amount of up to \$68,664,991 and, of such amount, the District has issued \$1,535,003 in aggregate principal amount. The Series 2016 Bonds were authorized to be issued from time to time in accordance with an Indenture of Trust between the District and UMB Bank, n.a., as trustee thereunder (the "2016 Trustee") dated as of November 1, 2016, as amended by the First Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of the date of issuance of the Bonds (the "2016 First Supplement" and, as so supplemented, the "2016 Indenture").

Proceeds of the Series 2017A Bonds will be used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$1,535,003. As a result of the provisions of the 2016 First Supplement, the Series 2016 Bonds will thereafter have a reduced aggregate principal amount. The 2016 Indenture and related documents will allow additional draws on the 2016 Bonds of up to \$9,950,000 in aggregate principal amount for the purpose of paying the Original Landowner amounts due pursuant to the District's Reimbursement Obligation under the Master Reimbursement Agreement to the extent proceeds of the Series 2017A and 2017B Bonds are insufficient for such purpose. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The District has no operating or capital leases.

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2017A Bonds.

This information is an integral part of the accompanying budget.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY**

\$47,500,000

General Obligation and Refunding and Improvement Bonds , Series 2017A

Interest Rate 6.000% to 6.125% per annum

Interest Payable on June 1 and December 1

Principal Payable December 1

Dated May 24, 2017

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 2,892,794	\$ 2,892,794
2021	-	2,892,794	2,892,794
2022	-	2,892,794	2,892,794
2023	-	2,892,794	2,892,794
2024	-	2,892,794	2,892,794
2025	-	2,892,794	2,892,794
2026	20,000	2,892,794	2,912,794
2027	260,000	2,891,594	3,151,594
2028	560,000	2,875,994	3,435,994
2029	800,000	2,842,394	3,642,394
2030	1,040,000	2,794,394	3,834,394
2031	1,135,000	2,731,994	3,866,994
2032	1,280,000	2,663,894	3,943,894
2033	1,360,000	2,587,094	3,947,094
2034	1,520,000	2,505,494	4,025,494
2035	1,610,000	2,414,294	4,024,294
2036	1,785,000	2,317,694	4,102,694
2037	1,895,000	2,210,594	4,105,594
2038	2,090,000	2,096,894	4,186,894
2039	2,220,000	1,968,881	4,188,881
2040	2,440,000	1,832,906	4,272,906
2041	2,585,000	1,683,456	4,268,456
2042	2,830,000	1,525,125	4,355,125
2043	3,005,000	1,351,788	4,356,788
2044	3,275,000	1,167,731	4,442,731
2045	3,475,000	967,138	4,442,138
2046	3,775,000	754,294	4,529,294
2047	8,540,000	523,075	9,063,075
	<u>\$ 47,500,000</u>	<u>\$ 62,956,275</u>	<u>\$ 110,456,275</u>

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



CliftonLarsonAllen

CliftonLarsonAllen LLP
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Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 6

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of The Canyons Metropolitan District No. 6 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to The Canyons Metropolitan District No. 6.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 23, 2020

**THE CANYONS METROPOLITAN DISTRICT NO. 6
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 12,696,474	\$ 9,891,200	\$ 3,318,693
REVENUES			
Property taxes	159	161	107,194
Specific ownership tax	17	16	9,575
Interest income	203,674	140,000	25,000
Developer advance	50,109	61,365	1,940,820
Facilities fees	-	394,000	357,000
Acceptance of reimbursable costs	2,259,289	6,330,727	5,630,367
PIF revenue	-	42,000	246,247
Bond issuance - Series C	-	-	2,485,000
Total revenues	<u>2,513,248</u>	<u>6,968,269</u>	<u>10,801,203</u>
TRANSFERS IN	<u>4,814</u>	-	-
Total funds available	<u>15,214,536</u>	<u>16,859,469</u>	<u>14,119,896</u>
EXPENDITURES			
General Fund	47,957	48,070	61,000
Debt Service Fund	728,252	729,252	1,003,581
Capital Projects Fund	4,542,313	12,763,454	11,326,584
Total expenditures	<u>5,318,522</u>	<u>13,540,776</u>	<u>12,391,165</u>
TRANSFERS OUT	<u>4,814</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>5,323,336</u>	<u>13,540,776</u>	<u>12,391,165</u>
ENDING FUND BALANCES	<u>\$ 9,891,200</u>	<u>\$ 3,318,693</u>	<u>\$ 1,728,731</u>
EMERGENCY RESERVE	\$ 1	\$ 10	\$ 400
RESERVE FUND	1,127,731	1,127,731	1,127,731
SURPLUS FUND	-	429,661	600,000
TOTAL RESERVE	<u>\$ 1,127,732</u>	<u>\$ 1,557,402</u>	<u>\$ 1,728,131</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. 6
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Agricultural	\$ 11,880	\$ 12,010	\$ 7,910
State assessed	-	-	20,100
Vacant land	-	-	8,725,250
Natural Resources	1,310	1,310	1,600
Certified Assessed Value	<u>\$ 13,190</u>	<u>\$ 13,320</u>	<u>\$ 8,754,860</u>
MILL LEVY			
General	1.000	1.000	1.112
Debt Service	11.055	11.055	11.132
Total mill levy	<u>12.055</u>	<u>12.055</u>	<u>12.244</u>
PROPERTY TAXES			
General	\$ 13	\$ 13	\$ 9,735
Debt Service	146	147	97,459
Levied property taxes	<u>159</u>	<u>160</u>	<u>107,194</u>
Adjustments to actual/rounding	-	1	-
Budgeted property taxes	<u>\$ 159</u>	<u>\$ 161</u>	<u>\$ 107,194</u>
BUDGETED PROPERTY TAXES			
General	\$ 13	\$ 13	\$ 9,735
Debt Service	146	148	97,459
	<u>\$ 159</u>	<u>\$ 161</u>	<u>\$ 107,194</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. 6
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ (2,134)	\$ (6,309)	\$ 1,000
REVENUES			
Property taxes	13	13	9,735
Specific ownership tax	1	1	875
Developer advance	43,768	55,365	50,390
Total revenues	<u>43,782</u>	<u>55,379</u>	<u>61,000</u>
Total funds available	<u>41,648</u>	<u>49,070</u>	<u>62,000</u>
EXPENDITURES			
General and administrative			
Accounting	28,017	25,000	27,500
Auditing	5,000	5,000	5,000
County Treasurer's fee	-	-	146
Dues and licenses	300	312	500
Insurance and bonds	2,738	2,758	3,000
Legal services	10,498	15,000	20,000
Miscellaneous	-	-	1,000
Election expense	1,404	-	2,000
Contingency	-	-	1,854
Total expenditures	<u>47,957</u>	<u>48,070</u>	<u>61,000</u>
Total expenditures and transfers out requiring appropriation	<u>47,957</u>	<u>48,070</u>	<u>61,000</u>
ENDING FUND BALANCE	<u>\$ (6,309)</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
EMERGENCY RESERVE	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 400</u>
TOTAL RESERVE	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ 400</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. 6
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 2,935,205	\$ 2,264,995	\$ 2,011,906
REVENUES			
Property taxes	146	148	97,459
Specific ownership tax	16	15	8,700
Interest income	47,566	40,000	10,000
Developer advance	5,500	-	-
Facilities fees	-	394,000	357,000
PIF revenue	-	42,000	246,247
Total revenues	53,228	476,163	719,406
TRANSFERS IN			
Transfers from capital projects fund	4,814	-	-
Total funds available	2,993,247	2,741,158	2,731,312
EXPENDITURES			
General and administrative			
Accounting	-	1,000	5,000
County Treasurer's fee	2	2	1,462
Paying agent fees	5,500	5,500	5,500
Debt Service			
Bond interest - Series 2017A	722,750	722,750	722,750
Bond interest - Series 2017B	-	-	268,869
Total expenditures	728,252	729,252	1,003,581
Total expenditures and transfers out requiring appropriation	728,252	729,252	1,003,581
ENDING FUND BALANCE	\$ 2,264,995	\$ 2,011,906	\$ 1,727,731
RESERVE FUND	\$ 1,127,731	\$ 1,127,731	\$ 1,127,731
SURPLUS FUND	-	429,661	600,000
TOTAL RESERVE	\$ 1,127,731	\$ 1,557,392	\$ 1,727,731

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. 6
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 9,763,403	\$ 7,632,514	\$ 1,305,787
REVENUES			
Interest income	156,108	100,000	15,000
Developer advance	841	6,000	1,890,430
Bond issuance - Series C	-	-	2,485,000
Acceptance of reimbursable costs	2,259,289	6,330,727	5,630,367
Total revenues	<u>2,416,238</u>	<u>6,436,727</u>	<u>10,020,797</u>
Total funds available	<u>12,179,641</u>	<u>14,069,241</u>	<u>11,326,584</u>
EXPENDITURES			
General and Administrative			
Accounting	429	3,000	3,000
Legal services	702	3,000	3,000
Capital Projects			
Bond issue costs	-	-	24,850
Repay developer advance	805	6,000	10,000
Repay developer advance interest	21,799	90,000	25,000
Repayment of reimbursable costs	2,259,289	6,330,727	5,630,367
Recognition of costs	2,259,289	6,330,727	5,630,367
Total expenditures	<u>4,542,313</u>	<u>12,763,454</u>	<u>11,326,584</u>
TRANSFERS OUT			
Transfers to debt service fund	<u>4,814</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>4,547,127</u>	<u>12,763,454</u>	<u>11,326,584</u>
ENDING FUND BALANCE	<u>\$ 7,632,514</u>	<u>\$ 1,305,787</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. 6
2020 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 and the District operates in connection with Districts Nos. 1 - 5 and 7 - 11.

The District was formed by District Court Order on December 19, 2001, and held its organizational meeting on March 14, 2002. The relationship between District No. 5, District No. 6, and District No. 7, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the property are outlined in the Master Reimbursement Agreement executed December 29, 2015 by the District and District Nos. 5 and 7.

On May 4, 2010, 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 \$1,300,000,000 for the above listed facilities and \$100,000,000 for refunding debt. 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 \$226,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District as well as \$226,000,000, 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 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 (for the debt portion of the mill levy only) so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the property tax page of the Budget and is pursuant to the Master Reimbursement Agreement. Collectively, Districts Nos. 5, 6, and 7 are permitted to levy 69.000 mills, subject to being adjusted for changes in the assessment ration which brings the total mill levy for all three districts to 76.812 mills. The total adopted mill levy is shown on the Property Tax Summary page of the budget.

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 budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.0%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$1,000 on each residential lot within the boundaries of the District. Such fees are allowed to increase the lesser of 5% annually or the percentage increase in the Denver-Boulder Consumer price index percentage increase for the prior year, effective January 1, 2017. The Facilities Fees are due and payable on the earlier to occur of (i) the initial transfer of a residential lot to a third party builder or (ii) the issuance of a building permit for a residential unit.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Public Improvement Fee (PIF)

The Mixed-Use Owner has imposed a Public Improvement Fee (“PIF”) through the Declaration of Covenants Imposing And Implementing The North Canyons Public Improvements Fee (“PIF Covenant”). The PIF rate applicable to Construction Activities is 50% of the applicable Use Tax rate pursuant to the City’s Sales/Use Tax Ordinance. Construction Activities is defined in the PIF Covenant as the use of building and construction materials for incorporation into the construction of any new building. Twenty percent (20%) of the PIF Revenue is collected by the District and pledged to the payment of the 2017 Bonds. The PIF is due prior to obtaining a building permit.

Expenditures

County Treasurer’s Fees

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

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District’s Board of Directors and consultants and include the services necessary to maintain the District’s administrative viability such as accounting, legal, insurance, and other administrative expenditures.

Debt Service

Interest payments are provided based on the attached debt to maturity schedule for the Series 2017A bonds.

The District anticipates making an interest payment on the Series 2017B bonds. A debt to maturity schedule is not attached due to the cash flow nature of these bonds.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On May 24, 2017 the District issued \$11,800,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2017A Bonds were used to:

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

- (a) finance the acquisition, construction, and installation of certain public improvements;
- (b) refund the outstanding balance on the 2016 Bonds (defined below);
- (c) fund the Capitalized Interest Fund;
- (d) fund the Senior Reserve Fund; and
- (e) pay the costs of issuing the Bonds.

The Series 2017A Bonds bear interest at rates ranging from 6.000% to 6.125%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the Series 2017A Bonds are due on December 1, beginning on December 1, 2026. The Series 2017A Bonds mature on December 1, 2047.

The Series 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Property Tax Revenues;
- (b) the Senior Specific Ownership Tax Revenues attributable to the Senior Required Mill Levy;
- (c) Capital Fees, including particularly and without limitation, the Facilities Fees;
- (d) Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Pledged Revenue that is not needed to pay debt service on the Series 2017A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$600,000. The Senior Surplus Fund is established and held as an account of the Trustee, and moneys therein are to be used solely for the purpose of paying the principal of and interest on the Series 2017A Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the Series 2017A Bonds shall be applied to the payment of the Series 2017A Bonds.

The Series 2017A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was funded with proceeds from the Series 2017A Bonds in the amount of the Required Reserve of \$1,127,731.

The Series 2017A Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 10 mills (as adjusted). For so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 10 mills (as adjusted to 11.132), or such lesser amount that will generate Senior Property Tax

THE CANYONS METROPOLITAN DISTRICT NO. 6
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

Revenues (i) sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (ii) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the Series 2017A Bonds in full. Such maximum and minimum mill levies are subject to adjustment per changes in the residential assessment rate.

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On May 24, 2017 the District issued \$2,997,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2017B Bonds were used to finance the acquisition, construction, and installation of certain public improvements.

The Series 2017B Bonds bear an interest rate of 8.00% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest thereof prior to the final maturity date. Rather, principal on the Series 2017B Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2017B Bonds on December 15 of the then current year. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the Series 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

The Series 2017B Bonds are secured by and payable solely from the following sources, net of any costs of collection, to the extent not previously deducted by definition, (the "Subordinate Pledged Revenue"):

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fee Revenue, including particularly and without limitation, the Facilities Fees;
- (d) all Subordinate PIF Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Pursuant to the Series 2017B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 10 mills (as adjusted from January 1, 2009 to 11.132) less the Senior Required Mill Levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2017B Bonds in full.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Series 2016 Limited Tax General Obligation and Special Revenue Bonds

The District previously authorized its Limited Tax General Obligation and Special Revenue Bonds, Series 2016, in the aggregate principal amount of up to \$68,664,991 and, of such amount, the District has issued \$321,068 in aggregate principal amount. The Series 2016 Bonds were authorized to be issued from time to time in accordance with an Indenture of Trust between the District and UMB Bank, n.a., as trustee thereunder (the "2016 Trustee") dated as of November 1, 2016, as amended by the First Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of the date of issuance of the Bonds (the "2016 First Supplement" and, as so supplemented, the "2016 Indenture").

Proceeds of the Series 2017A Bonds were used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$321,068. As a result of the provisions of the 2016 First Supplement, the Series 2016 Bonds will thereafter have a reduced aggregate principal amount. The 2016 Indenture and related documents will allow additional draws on the 2016 Bonds of up to \$2,485,000 in aggregate principal amount for the purpose of paying the Original Landowner amounts due pursuant to the District's Reimbursement Obligation under the Master Reimbursement Agreement to the extent proceeds of the Series 2017A and 2017B Bonds are insufficient for such purpose. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The District has no operating or capital leases.

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2017A Bonds.

This information is an integral part of the accompanying budget.

**THE CANYONS METROPOLITIAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY**

\$11,800,000

General Obligation and Refunding and Improvement Bonds , Series 2017A

Interest Rate 6.000% to 6.125% per annum

Interest Payable on June 1 and December 1

Principal Payable December 1

Dated May 24, 2017

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 722,750	\$ 722,750
2021	-	722,750	722,750
2022	-	722,750	722,750
2023	-	722,750	722,750
2024	-	722,750	722,750
2025	-	722,750	722,750
2026	5,000	722,750	727,750
2027	65,000	722,444	787,444
2028	135,000	718,463	853,463
2029	195,000	710,194	905,194
2030	255,000	698,250	953,250
2031	280,000	682,631	962,631
2032	315,000	665,481	980,481
2033	335,000	646,188	981,188
2034	375,000	625,669	1,000,669
2035	400,000	602,700	1,002,700
2036	445,000	578,200	1,023,200
2037	470,000	550,944	1,020,944
2038	520,000	522,156	1,042,156
2039	555,000	490,306	1,045,306
2040	605,000	456,313	1,061,313
2041	645,000	419,256	1,064,256
2042	705,000	379,750	1,084,750
2043	750,000	336,569	1,086,569
2044	815,000	290,631	1,105,631
2045	865,000	240,713	1,105,713
2046	940,000	187,731	1,127,731
2047	2,125,000	130,156	2,255,156
	<u>\$ 11,800,000</u>	<u>\$ 15,713,994</u>	<u>\$ 27,513,994</u>

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

EXHIBIT D
2019 Audit Exemption (District Nos. 1, 2, & 4)



May 15, 2020

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

Suite 300

RE: 1336.01

To Whom it May Concern:

We have reviewed the Application for Exemption from Audit of Canyons Metropolitan District No. 1. Based on our review, the December 31, 2019 Application for Exemption from Audit has been approved. We noted the following item that we believe deserves 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.

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.colorado.gov/auditor

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

cc: Department of Local Affairs
Division of Local Government



We Set the Standard for Good Government

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT ADDRESS	The Canyons Metropolitan District No. 2 8390 E Crescent Parkway Suite 300 Greenwood Village, CO 80111
CONTACT PERSON	Shelby Clymer
PHONE	303-779-5710
EMAIL	Shelby.Clymer@claconnect.com
FAX	303-779-0348

For the Year Ended
12/31/19
or fiscal year ended:

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:	Shelby Clymer
TITLE	Accountant for the District
FIRM NAME (if applicable)	CliftonLarsonAllen LLP
ADDRESS	8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
PHONE	303-779-5710
DATE PREPARED	2/19/2020

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 14,835	
2-2	Specific ownership	\$ 1,488	
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	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 16,325	

PART 3 - EXPENDITURES/EXPENSES

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
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 (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	Transfers to Canyons Metropolitan District No. 1	\$ 16,102	
3-25	Treasurer's Fees	\$ 223	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 16,325	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) 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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 2,260,000,000.00 Date the debt was authorized: 11/4/2014	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

N/A. The District has no capital assets.

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

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? Yes No
- 7-2 Does the entity have a volunteer firemen's pension plan? Yes No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan \$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ 16,419

PART 9 - TAXPAYER'S BILL OF RIGHTS (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)]? <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.	Yes	No
10-1 Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: Date of formation: <input style="width: 450px; height: 15px;" type="text"/>		
10-2 Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: Please list the NEW name & PRIOR name: <input style="width: 600px; height: 15px;" type="text"/>		
10-3 Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Please indicate what services the entity provides: <input style="width: 600px; height: 15px;" type="text"/> See below		
10-4 Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes: List the name of the other governmental entity and the services provided: <input style="width: 600px; height: 15px;" type="text"/> Consolidated Service Plan with The Canyons Metropolitan District Nos 1, 3 - 5 and 8 -11.		
10-5 Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: Date Filed: <input style="width: 450px; height: 15px;" type="text"/>		
10-6 Does the entity have a certified Mill Levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):		
Bond Redemption mills	<input style="width: 100px;" type="text"/>	-
General/Other mills	<input style="width: 100px;" type="text"/>	69.000
Total mills	<input style="width: 100px;" type="text"/>	69.000

Please use this space to provide any explanations or comments:

10-3: Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks & recreation, transportation, television translation, and fire protection/emergency medical services.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.
Board Member 1	Jonathan Alpert	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2022
Board Member 2	Darren Everett	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: 3/4/2020 My term Expires: May 2020 <small>DocuSigned by: Darren Everett 83B1D2A39B334E9...</small>
Board Member 3	Scott Alpert	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: 3/5/2020 My term Expires: May 2022 <small>DocuSigned by: Scott Alpert 74D1796090DF40A...</small>
Board Member 4		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP
www.CLAConnect.com

Accountant's Compilation Report

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

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 2 as of and for the year ended December 31, 2019, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, 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 Office of the State Auditor 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 The Canyons Metropolitan District No. 2.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP' in a cursive script.

Greenwood Village, Colorado
February 19, 2020

Certificate Of Completion

Envelope Id: F1F3A30086114ABEA28B1CCD7F54F248	Status: Completed
Subject: Plese DocuSign: The Canyons Metropolitan District No. 2 - 2019 Audit Exemption	
Client Name: The Canyons Metropolitan District No. 2	
Client Number: 011-043558-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	SyLuc Vo
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	SyLuc.Vo@claconnect.com
	IP Address: 104.129.196.189

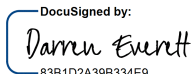
Record Tracking

Status: Original	Holder: SyLuc Vo	Location: DocuSign
3/3/2020 6:25:49 PM	SyLuc.Vo@claconnect.com	

Signer Events

Darren Everett
darren@bmcinv.com
Security Level: Email, Account Authentication (None)

Signature


DocuSigned by:

83B1D2A39B334E9...
Signature Adoption: Pre-selected Style
Using IP Address: 96.81.59.149

Timestamp

Sent: 3/3/2020 6:30:16 PM
Viewed: 3/4/2020 3:11:20 PM
Signed: 3/4/2020 3:11:30 PM

Electronic Record and Signature Disclosure:
Accepted: 3/4/2020 3:11:20 PM
ID: fc93e1ab-1485-4de6-bb54-fed63c2466bf

Scott Alpert
scott@alpertdevelopment.com
Security Level: Email, Account Authentication (None)

DocuSigned by:

74D1796090DF40A...
Signature Adoption: Pre-selected Style
Using IP Address: 71.211.251.244

Sent: 3/3/2020 6:30:16 PM
Viewed: 3/5/2020 11:13:52 AM
Signed: 3/5/2020 11:14:12 AM

Electronic Record and Signature Disclosure:
Accepted: 3/5/2020 11:13:52 AM
ID: 58bb5e0b-85e9-41e0-bae7-f9822d1a3416

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/3/2020 6:30:16 PM
Certified Delivered	Security Checked	3/13/2020 3:02:20 PM
Signing Complete	Security Checked	3/13/2020 3:02:20 PM
Completed	Security Checked	3/13/2020 3:02:20 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

APPLICATION FOR EXEMPTION FROM AUDIT**SHORT FORM**NAME OF GOVERNMENT
ADDRESS

The Canyons Metropolitan District No. 4

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Shelby Clymer

PHONE

303-779-5710

EMAIL

Shelby.Clymer@claconnect.com

FAX

303-779-0348

For the Year Ended
12/31/19
or fiscal year ended:**PART 1 - CERTIFICATION OF PREPARER**

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:

Shelby Clymer

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

2/19/2020

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types**GOVERNMENTAL**
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**
(CASH OR BUDGETARY BASIS)

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	Round to nearest Dollar	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	Please use this space to provide any necessary explanations
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 (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

PART 3 - EXPENDITURES/EXPENSES

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	Round to nearest Dollar	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
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 (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) 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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A. The District has no outstanding debt.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 2,260,000,000.00 Date the debt was authorized: 11/4/2014	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

N/A. The District has no capital assets.

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

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? Yes No
- 7-2 Does the entity have a volunteer firemen's pension plan? Yes No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan \$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ -

PART 9 - TAXPAYER'S BILL OF RIGHTS (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)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

See below

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

Consolidated Service Plan with The Canyons Metropolitan District Nos 1 - 3, 5 and 8 - 11.

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	-
General/Other mills	-
Total mills	-

	-
	-
	-

Please use this space to provide any explanations or comments:

10-3: Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks & recreation, transportation, television translation, and fire protection/emergency medical services.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Jonathan Alpert	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2022
Board Member 2	Darren Everett	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: 3/5/2020 My term Expires: May 2020 <small>DocuSigned by: Darren Everett 83B1D2A39B334E9...</small>
Board Member 3	Scott Alpert	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: 3/7/2020 My term Expires: May 2022 <small>DocuSigned by: Scott Alpert 74D1796090DF40A...</small>
Board Member 4		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



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Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 4
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 4 as of and for the year ended December 31, 2019, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, 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 Office of the State Auditor 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 The Canyons Metropolitan District No. 4.

Greenwood Village, Colorado
February 19, 2020

Certificate Of Completion

Envelope Id: A4B758BE55A24DCD9229A26E25124F18	Status: Completed
Subject: Please DocuSign: The Canyons Metropolitan District No. 4 - 2019 Audit Exemption.pdf	
Client Name: The Canyons Metropolitan District No. 4	
Client Number: 011-043560-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	SyLuc Vo
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	SyLuc.Vo@claconnect.com
	IP Address: 65.59.88.254

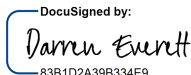
Record Tracking

Status: Original	Holder: SyLuc Vo	Location: DocuSign
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Signer Events

Darren Everett
darren@bmcinv.com
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

83B1D2A39B334E9...
Signature Adoption: Pre-selected Style
Using IP Address: 96.81.59.149

Timestamp

Sent: 3/5/2020 1:23:25 PM
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Signed: 3/5/2020 2:45:42 PM

Electronic Record and Signature Disclosure:
Accepted: 3/5/2020 2:45:15 PM
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Scott Alpert
scott@alpertdevelopment.com
Security Level: Email, Account Authentication (None)

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74D1796090DF40A...
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Signed: 3/7/2020 9:26:42 PM

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Accepted: 3/7/2020 9:26:00 PM
ID: a83d317d-8cbb-4786-93f3-eab06c976b4e

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/5/2020 1:23:25 PM
Certified Delivered	Security Checked	3/13/2020 2:57:25 PM
Signing Complete	Security Checked	3/13/2020 2:57:25 PM
Completed	Security Checked	3/13/2020 2:57:25 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

EXHIBIT E
2019 Audits (District Nos. 5 & 6)

**THE CANYONS METROPOLITAN
DISTRICT NO. 5
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED DECEMBER 31, 2019

**THE CANYONS METROPOLITAN DISTRICT NO. 5
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of The Canyons Metropolitan District No. 5 as of and for the year December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112
303-905-0809 • info@dazziocpa.com

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Canyons Metropolitan District No. 5, as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Canyons Metropolitan District No. 5's basic financial statements. The budget to actual schedules for the Debt Service and Capital Projects Funds (Supplementary Information), and the Schedules of Debt Service Requirements to Maturity and Assessed Valuation, Mill Levy and Property Taxes Collected (Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

D'Agostino & Associates, P.C.

April 20, 2020

BASIC FINANCIAL STATEMENTS

**THE CANYONS METROPOLITAN DISTRICT NO. 5
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 999
Cash and Investments - Restricted	13,595,163
Accounts Receivable	41,094
Receivable from County Treasurer	5
Property Taxes Receivable	399,598
Total Assets	14,036,859
LIABILITIES	
Accounts Payable	11,846
Due to Canyons District No. 6	6,497
Accrued Interest Payable	241,066
Noncurrent Liabilities:	
Due in More Than One Year	61,751,113
Total Liabilities	62,010,522
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	399,598
Total Deferred Inflows of Resources	399,598
NET POSITION	
Restricted for:	
Emergency Reserves	1
Capital Projects	1,290
Unrestricted	(48,374,552)
Total Net Position	\$ (48,373,261)

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	\$ 58,247	\$ -	\$ -	\$ -	\$ (58,247)
Public Works	25,322,906	-	-	-	(25,322,906)
Interest and Related Costs on Long-Term Debt	4,364,948	-	-	1,823,715	(2,541,233)
Total Governmental Activities	\$ 29,746,101	\$ -	\$ -	\$ 1,823,715	(27,922,386)
GENERAL REVENUES					
					602
					60
					545,370
					546,032
CHANGES IN NET POSITION					(27,376,354)
					(20,996,907)
NET POSITION - END OF YEAR					\$ (48,373,261)

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 999	\$ -	\$ -	\$ 999
Cash and Investments - Restricted	1	8,181,305	5,413,857	13,595,163
Property Tax Receivable	9,735	389,863	-	399,598
Receivable from County Treasurer	-	5	-	5
Accounts Receivable	-	38,319	2,775	41,094
Total Assets	\$ 10,735	\$ 8,609,492	\$ 5,416,632	\$ 14,036,859
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 8,337	\$ 2,024	\$ 1,485	\$ 11,846
Due to Canyons Metro District No. 6	-	6,497	-	6,497
Total Liabilities	8,337	8,521	1,485	18,343
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	9,735	389,863	-	399,598
Total Deferred Inflows or Resources	9,735	389,863	-	399,598
FUND BALANCES				
Restricted for:				
Emergency Reserves	1	-	-	1
Debt Service	-	8,211,108	-	8,211,108
Capital Projects	-	-	5,415,147	5,415,147
Unassigned	(7,338)	-	-	(7,338)
Total Fund Balances	(7,337)	8,211,108	5,415,147	13,618,918
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,735	\$ 8,609,492	\$ 5,416,632	

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(59,006,733)
Developer Advance Payable	(130,236)
Accrued Bond Interest	(2,843,578)
Accrued Interest on Developer Advance	(11,632)
	(62,992,179)

Net Position of Governmental Activities	\$ (48,373,261)
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See accompanying Notes to Basic Financial Statements.

THE CANYONS METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 13	\$ 589	\$ -	\$ 602
Specific Ownership Taxes	1	59	-	60
Net Investment Income	-	175,510	369,860	545,370
Facilities Fees	-	1,640,000	-	1,640,000
Public Improvement Fees	-	183,715	-	183,715
Total Revenues	<u>14</u>	<u>1,999,873</u>	<u>369,860</u>	<u>2,369,747</u>
EXPENDITURES				
General:				
Accounting	29,682	2,970	-	32,652
Audit	4,500	-	-	4,500
County Treasurer's Fees	-	9	-	9
Dues and Licenses	312	-	-	312
Insurance	4,008	-	-	4,008
Legal	12,723	-	-	12,723
Debt Service:				
Bond Interest - Series 2017A	-	2,892,794	-	2,892,794
Paying Agent Fees	-	5,500	-	5,500
Capital:				
Accounting	-	-	2,852	2,852
Legal	-	-	1,200	1,200
Recognition of Public Improvement Costs	-	-	25,322,906	25,322,906
Total Expenditures	<u>51,225</u>	<u>2,901,273</u>	<u>25,326,958</u>	<u>28,279,456</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(51,211)	(901,400)	(24,957,098)	(25,909,709)
OTHER FINANCING SOURCES (USES)				
Developer Advance	48,884	-	3,510	52,394
Acceptance of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	25,322,906	25,322,906
Repay Developer Advance	-	-	(3,510)	(3,510)
Repayment of Developer Advance - Interest	-	-	(364,065)	(364,065)
Repayment of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	(25,322,906)	(25,322,906)
Total Other Financing Sources (Uses)	<u>48,884</u>	<u>-</u>	<u>(364,065)</u>	<u>(315,181)</u>
NET CHANGE IN FUND BALANCES	(2,327)	(901,400)	(25,321,163)	(26,224,890)
Fund Balances - Beginning of Year	<u>(5,010)</u>	<u>9,112,508</u>	<u>30,736,310</u>	<u>39,843,808</u>
FUND BALANCES - END OF YEAR	<u>\$ (7,337)</u>	<u>\$ 8,211,108</u>	<u>\$ 5,415,147</u>	<u>\$ 13,618,918</u>

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ (26,224,890)

Amounts reported for governmental activities in the statement of activities are different because:

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advance	(52,394)
Repayment of Developer Advance - Interest	42
Repayment of Developer Advance	3,510

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Bond Interest - Change in Liability	(1,076,112)
Amortization of Bond Discount	(19,219)
Accrued Interest - Developer Advances	(7,291)
	(7,291)

Changes in Net Position of Governmental Activities \$ (27,376,354)

**THE CANYONS METROPOLITAN DISTRICT NO. 5
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 13	\$ 13	\$ 13	\$ -
Specific Ownership Taxes	1	1	1	-
Total Revenues	<u>14</u>	<u>14</u>	<u>14</u>	<u>-</u>
EXPENDITURES				
Current:				
Accounting	25,000	29,000	29,682	(682)
Audit	4,500	4,500	4,500	-
Dues and Licenses	300	300	312	(12)
Insurance	4,000	4,000	4,008	(8)
Legal	20,000	20,000	12,723	7,277
Miscellaneous	1,000	1,000	-	1,000
Contingency	2,200	2,200	-	2,200
Total Expenditures	<u>57,000</u>	<u>61,000</u>	<u>51,225</u>	<u>9,775</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,986)	(60,986)	(51,211)	9,775
OTHER FINANCING SOURCES (USES)				
Developer Advance	56,986	66,996	48,884	(18,112)
Total Other Financing Sources (Uses)	<u>56,986</u>	<u>66,996</u>	<u>48,884</u>	<u>(18,112)</u>
NET CHANGE IN FUND BALANCE	-	6,010	(2,327)	(8,337)
Fund Balance - Beginning of Year	<u>1,000</u>	<u>(5,010)</u>	<u>(5,010)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ (7,337)</u>	<u>\$ (8,337)</u>

See accompanying Notes to Basic Financial Statements.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court of Douglas County, Colorado on June 4, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the City of Castle Pines North (City) in Douglas County, Colorado on October 22, 2009, as amended by a First Amendment thereto approved by the City on December 8, 2015 and by a Second Amendment thereto approved by the City on December 10, 2019 collectively, the "Service Plan". The District operates in connection with Districts Nos. 1 – 4 and 6 – 11 and serves as a financing District.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction, relocation, redevelopment, and completion of public improvements, covenant enforcement services, and planning services, including water, sanitation, streets, security services, park and recreation, public transportation, traffic and safety, limited fire protection, limited television relay and translation, and mosquito control.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2019.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Original Issue Discount/Premium

In the government-wide financial statements, bond discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent debt proceeds at year end, the portion of debt attributable to the unspent proceeds is not included in this component.

Restricted – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions of enabling legislation.

Unrestricted – the component of net position that does not meet the definitions above.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2019. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2020.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 999
Cash and Investments - Restricted	<u>13,595,163</u>
Total Cash and Investments	<u><u>\$ 13,596,162</u></u>

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2019 consist of the following:

Deposits with Financial Institutions	\$ 295,164
Investments	<u>13,300,998</u>
Total Cash and Investments	<u><u>\$ 13,596,162</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's cash deposits had a bank balance and a carrying balance of \$295,164.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	<u>13,300,998</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
Governmental Activities					
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 47,500,000	\$ -	\$ -	\$ 47,500,000	\$ -
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B	11,925,000	-	-	11,925,000	-
Discount on Series 2017	(437,486)	19,219	-	(418,267)	-
Total Bonds Payable	<u>58,987,514</u>	<u>19,219</u>	<u>-</u>	<u>59,006,733</u>	<u>-</u>
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - interest	1,526,400	1,076,112	-	2,602,512	-
Developer Advance - Operations - Principal	81,352	48,884	-	130,236	-
Developer Advance - Operations - Interest	4,383	7,249	-	11,632	-
Developer Advance - Capital - Principal	-	3,510	3,510	-	-
Developer Advance - Capital - Interest	-	42	42	-	-
Public Improvement Reimbursement Agreement	-	25,322,906	25,322,906	-	-
Public Improvement Reimbursement Agreement - Interest	-	364,023	364,023	-	-
Total Developer Advance Payable	<u>85,735</u>	<u>25,746,614</u>	<u>25,690,481</u>	<u>141,868</u>	<u>-</u>
Total	<u>\$ 60,599,649</u>	<u>\$ 26,841,945</u>	<u>\$ 25,690,481</u>	<u>\$ 61,751,113</u>	<u>\$ -</u>

The detail of the District's long-term obligations is as follows:

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On May 25, 2017 the District issued \$47,500,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2017A Bonds were used to:

- (a) finance the acquisition, construction, and installation of certain public improvements;
- (b) refund the outstanding balance on the 2016 Bonds;
- (c) fund the Capitalized Interest Fund;
- (d) fund the Senior Reserve Fund; and
- (e) pay the costs of issuing the Bonds.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds (Continued)

The Series 2017A Bonds bear interest at rates ranging from 6.000% to 6.125%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the Series 2017A Bonds are due on December 1, beginning on December 1, 2026. The Series 2017A Bonds mature on December 1, 2047.

The Series 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Property Tax Revenues;
- (b) the Senior Specific Ownership Tax Revenues attributable to the Senior Required Mill Levy;
- (c) Capital Fees, including particularly and without limitation, the Facilities Fees;
- (d) Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Pledged Revenue that is not needed to pay debt service on the Series 2017A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$2,375,000. The Senior Surplus Fund is established and held as an account of the Trustee, and moneys therein are to be used solely for the purpose of paying the principal of and interest on the Series 2017A Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the Series 2017A Bonds shall be applied to the payment of the Series 2017A Bonds.

The Series 2017A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was funded with proceeds from the Series 2017A Bonds in the amount of the Required Reserve of \$4,529,294.

The Series 2017A Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 40.000 mills (as adjusted). For so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 40.000 mills (as adjusted), or such lesser amount that will generate Senior Property Tax Revenues (i) sufficient to pay the principal of,

**THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds (Continued)

premium if any, and interest on the Series 2017A Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (ii) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the Series 2017A Bonds in full. Such maximum and minimum mill levies are subject to adjustment per changes in the residential assessment rate.

The District's long-term obligation will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 2,892,794	\$ 2,892,794
2021	-	2,892,794	2,892,794
2022	-	2,892,794	2,892,794
2023	-	2,892,794	2,892,794
2024	-	2,892,794	2,892,794
2025-2029	1,640,000	14,395,570	16,035,570
2030-2034	6,335,000	13,282,870	19,617,870
2035-2039	9,600,000	11,008,357	20,608,357
2040-2044	14,135,000	7,561,005	21,696,005
2045-2047	15,790,000	2,244,506	18,034,506
Total	<u>\$ 47,500,000</u>	<u>\$ 62,956,278</u>	<u>\$ 110,456,278</u>

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On May 25, 2017 the District issued \$11,925,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2017B Bonds were used to finance the acquisition, construction, and installation of certain public improvements.

The Series 2017B Bonds bear an interest rate of 8.00% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest thereof prior to the final maturity date. Rather, principal on the Series 2017B Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2017B Bonds on December 15 of the then current year. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the Series 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds (Continued)

The Series 2017B Bonds are secured by and payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, which is defined generally in the 2017B Indenture as:

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fee Revenue, including particularly and without limitation, the Facilities Fees;
- (d) all Subordinate PIF Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Pursuant to the Series 2017B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 40.000 mills (as adjusted from January 1, 2009) less the Senior Required Mill Levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2017B Bonds in full.

Due to the uncertainty of the timing of the principal and interest payments on the Series 2017B Bonds, a schedule of the timing of these payments is not available.

Series 2016 Limited Tax General Obligation and Special Revenue Bonds

The District previously authorized its Limited Tax General Obligation and Special Revenue Bonds, Series 2016, in the aggregate principal amount of up to \$68,664,991 and, of such amount, the District has issued \$1,535,003 in aggregate principal amount. The Series 2016 Bonds were authorized to be issued from time to time in accordance with an Indenture of Trust between the District and UMB Bank, n.a., as trustee thereunder (the "2016 Trustee") dated as of November 1, 2016, as amended by the First Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of the date of issuance of the Bonds (the "2016 First Supplement" and, as so supplemented, the "2016 Indenture").

Proceeds of the Series 2017A Bonds will be used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$1,535,003. As a result of the provisions of the 2016 First Supplement, the Series 2016 Bonds will thereafter have a reduced aggregate principal amount. The 2016 Indenture and related documents will allow additional draws on the 2016 Bonds of up to \$9,950,000 in aggregate principal amount for the purpose of paying the Original Landowner amounts due pursuant to the District's Reimbursement Obligation under the Master Reimbursement Agreement to the extent proceeds of the Series 2017A and 2017B Bonds are insufficient for such purpose. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2019, the District has authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized May 4, 2010	Amount Authorized November 4, 2014	Authorization Used - Series 2016 Bonds	Authorization Used - Series 2017 Bonds	Authorized But Unissued
Streets	\$ 100,000,000	\$ 226,000,000	\$ -	\$ 13,350,481	\$ 312,649,519
Water	100,000,000	226,000,000	-	13,730,477	312,269,523
Sanitation	100,000,000	226,000,000	1,535,003	18,914,969	305,550,028
Parks and Recreation	100,000,000	226,000,000	-	12,679,076	313,320,924
Public Transportation	100,000,000	226,000,000	-	-	326,000,000
Television Relay	100,000,000	226,000,000	-	-	326,000,000
Mosquito Control	100,000,000	226,000,000	-	-	326,000,000
Security Services	100,000,000	226,000,000	-	-	326,000,000
Traffic and Safety	100,000,000	226,000,000	-	-	326,000,000
Fire Protection	-	226,000,000	-	-	226,000,000
Operations and Maintenance	100,000,000	226,000,000	-	-	326,000,000
Refundings	100,000,000	226,000,000	-	749,997	325,250,003
Intergovernmental Agreements	100,000,000	226,000,000	-	-	326,000,000
Private Agreements	100,000,000	226,000,000	-	-	326,000,000
Special Assessment Indebtedness	-	226,000,000	-	-	226,000,000
Total	<u>\$ 1,300,000,000</u>	<u>\$ 3,390,000,000</u>	<u>\$ 1,535,003</u>	<u>\$ 59,425,000</u>	<u>\$ 4,629,039,997</u>

Pursuant to the Amended and Restated Service Plan, the aggregate debt limit is \$226,000,000 for all of District Nos. 2 – 11 combined, exclusive of refundings.

Pursuant to the Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. The 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.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Developer Advance

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

Operations Funding and Reimbursement Agreement

The District and North Canyons, LLLP (North Canyons) entered into a Funding and Reimbursement Agreement (Operations and Maintenance) on October 26, 2016, and as amended on November 29, 2017 (Operations Funding Agreement) whereby North Canyons agreed to loan moneys to the District for the purpose of covering revenue shortfalls with respect to operation and maintenance expenses of the District.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advance (Continued)

Operations Funding and Reimbursement Agreement (Continued)

Under the Operations Funding Agreement, North Canyons agrees to loan the District up to \$50,000 per year (the Annual O&M Loan Cap), for four years (being fiscal years 2016, 2017, 2018 and 2019), not to exceed \$200,000 (subject to increase as described below, the "Maximum Loan Amount"). Interest accrues at a rate of 6.5% simple interest, annually. The funds are to be loaned to the District in a series of installments and are to be available to the District through December 31, 2019 (the O&M Loan Obligation Termination Date). Thereafter, the O&M Loan Obligation Termination Date will automatically extend for additional one-year terms unless North Canyons provides written notice to the District of termination at least 30 days prior to December 31 of each year. Upon each automatic one-year extension of the O&M Loan Obligation Termination Date, North Canyons agrees to loan to the District one or more sums of money up to the Annual O&M Loan Cap, and the Maximum Loan Amount shall be increased by the additional amount of such Annual O&M Loan Cap for each extension year, if any.

Each loan advance made under the Operations Funding Agreement accrues simple interest at the rate of 6.5% per annum from the date of such advance until the date the applicable O&M Reimbursement Obligation is issued (or the date such advance is repaid, if earlier).

As of December 31, 2019, \$130,236 of principal and \$11,632 of interest are outstanding under this Agreement.

Capital Funding and Reimbursement Agreement

North Canyons entered into a Funding and Reimbursement Agreement (Capital) on February 22, 2017, and as amended on November 29, 2017 (the Capital Funding Agreement) whereby North Canyons agreed to loan moneys to the District for the purpose of funding certain capital costs of the District.

Under the Capital Funding Agreement, North Canyons agrees to loan the District up to \$60,000 per year (the Annual Capital Loan Cap), for four years (being fiscal years 2017, 2018, 2019 and 2020), up to the aggregate of \$240,000 (subject to increase as described below, the "Maximum Capital Loan Amount"). Interest accrues at a rate of 6.5% simple interest, annually. The funds are to be loaned to the District in a series of installments and are to be available to the District through December 31, 2020 (the Capital Loan Obligation Termination Date). Thereafter, the Capital Loan Obligation Termination Date will automatically extend for additional one-year terms unless North Canyons provides written notice to the District of termination at least 30 days prior to December 31 of each year. Upon each automatic one-year extension of the Capital Loan Obligation Termination Date, North Canyons agrees to loan to the District one or more sums of money up to the Annual Capital Loan Cap, and the Maximum Capital Loan Amount shall be increased by the additional amount of such Annual Capital Loan Cap for each extension year, if any.

As of December 31, 2019, no amounts were outstanding under this agreement.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Public Improvements Reimbursement Agreement

North Canyons entered into a Public Improvement Reimbursement Agreement, dated as of October 26, 2016, pursuant to which the District and North Canyons agreed, among other things, that the District No. 5 Reimbursement Obligation (as defined in the Master Reimbursement Agreement – see Note 7) will be paid by the District to North Canyons from the issuance of Bonds. The Public Improvements Reimbursement Agreement also contains provisions relating to the expectation that the Master Builder is expected to carry out its obligations to cause the construction of Public Improvements. District No. 7 shall provide a certificate to the District pertaining to the District-Eligible Public Improvements so constructed for reimbursement. Reimbursement obligations accrue at an interest rate of 7.5% simple interest, annually.

As of December 31, 2019, no amounts were outstanding under this Agreement.

NOTE 5 NET POSITION

The District had a deficit unrestricted net position as of December 31, 2019. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements to be constructed and conveyed to other entities by District No. 7.

NOTE 6 RELATED PARTIES

The Original landowner of the property which constitutes the District is North Canyons, LLLP (the Original Landowner). During 2016, the Original landowner, in connection with Oread Canyons, LLC (Oread), sold property to Shea Canyons (the Master Builder) who will serve as Developer of the project for the first phase of development. The majority of the members of the Board of Directors are employees, owners or otherwise associated with North Canyons and may have conflicts of interest in dealing with the District.

NOTE 7 DISTRICT AGREEMENTS

Master Reimbursement Agreement

The District entered into a Master Reimbursement Agreement (the Agreement) with The Canyons Metropolitan District No. 6 (District No. 6) and The Canyons Metropolitan District No. 7 (District No. 7), the Original Landowner, the Master Builder, and Oread Canyons, LLC (Oread), a Colorado limited liability company. Pursuant to the Agreement, the District and District No. 6 will reimburse the Original Landowner and Oread, respectively, for the costs of the District-Eligible Public Improvements, which are to be constructed by the Master Builder or its assignee, all as more particularly described in the Agreement. District No. 7 will own, operate, and maintain all District-Eligible Public Improvements within its boundaries that are not dedicated to any other public entity.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

Master Reimbursement Agreement (Continued)

Under the Agreement, the Consolidated Service Plan established a combined mill levy limitation (applicable to both debt service and operation and maintenance mill levies imposed by the Districts) of 69.000 mills. The District will impose 40.000 mills for debt service and District No. 6 will impose 10.000 mills for debt service as adjusted for changes in the residential assessment ratio. The District and District No. 6 will each impose 1.000 mill to pay for the respective District's administrative costs, as adjusted for changes in the residential assessment ratio. District No. 7 will impose 17.000 mills for operations, as adjusted for changes in the residential assessment ratio..

The Agreement states that the District is also entitled to 80% of PIF Revenues and Facilities Fees, and is obligated to pay 80% of the Collective Reimbursement Obligation, or the Bonds used for financing District-Eligible Public Improvements.

The Agreement also sets forth the procedures for submittal, review, certification, and acceptance of the costs of Public Improvements.

Intergovernmental Agreement with the City

As contemplated by the Service Plan, the Canyons Districts (being District Nos. 1 – 11) and the City entered into an Intergovernmental Agreement for The Canyons Metropolitan District Nos. 1 – 11, dated as of December 6, 2010, as amended pursuant to a First Amendment thereto dated December 11, 2015 (as so amended, the "City IGA"), which, among other things, recites the limitations on the Canyons Districts' provision of services and exercise of powers as set forth in the Service Plan.

In addition to the limitations contained in the Service Plan, the City IGA specifies that completed Public Improvements are to be dedicated to the City, Parker Water and Sanitation District (Parker Water), or other appropriate governmental entity. The Canyons Districts are authorized to undertake and coordinate any operational requirements for Public Improvements that will not ultimately be conveyed to the City, Parker Water, or other governmental entity and may also operate and maintain Public Improvements that are pending final acceptance by the City. Upon acceptance by the City, Parker Water, or other appropriate governmental entity, none of the Canyons Districts are authorized to operate or maintain such Public Improvements unless authorized under separate intergovernmental agreement with the City, Parker Water, or such other governmental entity, respectively. The Canyons Districts are specifically authorized to own, operate, and maintain park and recreation improvements and landscaped or open space parcels. The City IGA also specifies that none of the Canyons Districts are authorized to engage in the provision of any television relay and translation facilities or services and, subject to certain exceptions for improvements comprising a portion of the water system improvements, shall not be authorized to provide fire protection facilities or services.

THE CANYONS METROPOLITAN DISTRICT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, workers' compensation, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limits must be refunded unless the voters approve retention of such revenue.

On May 4, 2010 and November 4, 2014, the District voters passed an election question to increase property taxes \$100,000,000 per election annually as adjusted for inflation, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**THE CANYONS METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 589	\$ 589	\$ -
Specific Ownership Taxes	59	59	-
Net Investment Income	150,000	175,510	25,510
Facilities Fees	820,000	1,640,000	820,000
PIF Revenue	480,000	183,715	(296,285)
Total Revenues	1,450,648	1,999,873	549,225
EXPENDITURES			
County Treasurer's Fees	9	9	-
Accounting	-	2,970	(2,970)
Bond Interest - Series 2017A	2,892,794	2,892,794	-
Bond Interest - Series 2017B	394,743	-	394,743
Paying Agent Fees	6,000	5,500	500
Total Expenditures	3,293,546	2,901,273	392,273
NET CHANGE IN FUND BALANCE	(1,842,898)	(901,400)	941,498
Fund Balance - Beginning of Year	10,558,826	9,112,508	(1,446,318)
FUND BALANCE - END OF YEAR	\$ 8,715,928	\$ 8,211,108	\$ (504,820)

**THE CANYONS METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ 300,000	\$ 300,000	\$ 369,860	\$ 69,860
Total Revenues	300,000	300,000	369,860	69,860
EXPENDITURES				
Accounting	5,000	5,000	2,852	2,148
Legal	10,000	10,000	1,200	8,800
Recognition of Public Improvement Costs	25,257,366	25,797,500	25,322,906	474,594
Total Expenditures	25,272,366	25,812,500	25,326,958	485,542
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,972,366)	(25,512,500)	(24,957,098)	555,402
OTHER FINANCING SOURCES (USES)				
Acceptance of Reimbursable Costs - Public Improvements Reimb. Agreement	25,257,366	25,257,366	25,322,906	65,540
Developer Advance	15,000	15,000	3,510	(11,490)
Repay Developer Advance	(15,000)	(15,000)	(3,510)	11,490
Repayment of Developer Advance - Interest	(200,000)	(375,000)	(364,065)	10,935
Repayment of Reimbursable Costs - Public Improvements Reimb. Agreement	(25,257,366)	(25,797,500)	(25,322,906)	474,594
Total Other Financing Sources (Uses)	(200,000)	(915,134)	(364,065)	551,069
NET CHANGE IN FUND BALANCE	(25,172,366)	(26,427,634)	(25,321,163)	1,106,471
Fund Balance - Beginning of Year	30,611,602	30,736,310	30,736,310	-
FUND BALANCE - END OF YEAR	<u>\$ 5,439,236</u>	<u>\$ 4,308,676</u>	<u>\$ 5,415,147</u>	<u>\$ 1,106,471</u>

OTHER INFORMATION

**THE CANYONS METROPOLITAN DISTRICT NO. 5
SCHEDULE OF DEBT SERVICE
REQUIREMENTS TO MATURITY
LONG-TERM DEBT
DECEMBER 31, 2019**

\$47,500,000 General Obligation Refunding Bonds
Series 2017A
Interest 6.0% - 6.125%
Dated May 25, 2017

<u>Bonds and Interest Maturing in the Year Ending December 31.</u>	<u>Interest Payable June 1 and December 1 Principal Payable December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 2,892,794	\$ 2,892,794
2021	-	2,892,794	2,892,794
2022	-	2,892,794	2,892,794
2023	-	2,892,794	2,892,794
2024	-	2,892,794	2,892,794
2025	-	2,892,794	2,892,794
2026	20,000	2,892,794	2,912,794
2027	260,000	2,891,594	3,151,594
2028	560,000	2,875,994	3,435,994
2029	800,000	2,842,394	3,642,394
2030	1,040,000	2,794,394	3,834,394
2031	1,135,000	2,731,994	3,866,994
2032	1,280,000	2,663,894	3,943,894
2033	1,360,000	2,587,094	3,947,094
2034	1,520,000	2,505,494	4,025,494
2035	1,610,000	2,414,294	4,024,294
2036	1,785,000	2,317,694	4,102,694
2037	1,895,000	2,210,594	4,105,594
2038	2,090,000	2,096,894	4,186,894
2039	2,220,000	1,968,881	4,188,881
2040	2,440,000	1,832,906	4,272,906
2041	2,585,000	1,683,456	4,268,456
2042	2,830,000	1,525,125	4,355,125
2043	3,005,000	1,351,787	4,356,787
2044	3,275,000	1,167,731	4,442,731
2045	3,475,000	967,137	4,442,137
2046	3,775,000	754,294	4,529,294
2047	8,540,000	523,075	9,063,075
Total	<u>\$ 47,500,000</u>	<u>\$ 62,956,278</u>	<u>\$ 110,456,278</u>

**THE CANYONS METROPOLITAN DISTRICT NO. 5
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2015	\$ 250	69.000	\$ 17	\$ 17	100.00 %
2016	270	69.000	19	19	100.00
2017	11,080	41.000	454	454	100.00
2018	13,200	45.222	597	597	100.00
2019	13,330	45.222	602	602	100.00
Estimated for Year Ending December 31, 2020	\$ 8,754,870	45.643	\$ 399,598		

NOTE:

Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

**THE CANYONS METROPOLITAN
DISTRICT NO. 6
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019**

**THE CANYONS METROPOLITAN DISTRICT NO. 6
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Canyons Metropolitan District No. 6
Douglas County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of The Canyons Metropolitan District No. 6 as of and for the year December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Canyons Metropolitan District No. 6, as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Canyons Metropolitan District No. 6's basic financial statements. The budget to actual schedules for the Debt Service and Capital Projects Funds (Supplementary Information), and the Schedules of Debt Service Requirements to Maturity and Assessed Valuation, Mill Levy and Property Taxes Collected (Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Duzzio & Associates, P.C.

April 29, 2020

BASIC FINANCIAL STATEMENTS

**THE CANYONS METROPOLITAN DISTRICT NO. 6
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 1,117
Cash and Investments - Restricted	3,324,125
Accounts Receivable	4,000
Due from Canyons District No. 5	6,497
Receivable from County Treasurer	1
Property Taxes Receivable	107,194
Total Assets	3,442,934
LIABILITIES	
Accounts Payable	8,974
Accrued Interest Payable	60,229
Noncurrent Liabilities:	
Due in More Than One Year	15,488,620
Total Liabilities	15,557,823
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	107,194
Total Deferred Inflows of Resources	107,194
NET POSITION	
Restricted for:	
Emergency Reserves	1
Unrestricted	(12,222,084)
Total Net Position	\$ (12,222,083)

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	\$ 46,811	\$ -	\$ -	\$ -	\$ (46,811)
Public Works	6,330,726	-	-	-	(6,330,726)
Interest and Related Costs on Long-Term Debt	1,102,040	-	-	455,929	(646,111)
Total Governmental Activities	\$ 7,479,577	\$ -	\$ -	\$ 455,929	(7,023,648)
GENERAL REVENUES					
					160
					16
					135,158
					135,334
CHANGES IN NET POSITION					(6,888,314)
					(5,333,769)
NET POSITION - END OF YEAR					\$ (12,222,083)

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 1,117	\$ -	\$ -	\$ 1,117
Cash and Investments - Restricted	1	2,025,251	1,298,873	3,324,125
Accounts Receivable	-	4,000	-	4,000
Due from Canyons Metro District No. 5	-	6,497	-	6,497
Receivable from County Treasurer	-	1	-	1
Property Tax Receivable	9,735	97,459	-	107,194
	<u>10,853</u>	<u>2,133,208</u>	<u>1,298,873</u>	<u>3,442,934</u>
Total Assets				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 7,847	\$ -	\$ 1,127	\$ 8,974
Total Liabilities	<u>7,847</u>	<u>-</u>	<u>1,127</u>	<u>8,974</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	9,735	97,459	-	107,194
Total Deferred Inflows or Resources	<u>9,735</u>	<u>97,459</u>	<u>-</u>	<u>107,194</u>
FUND BALANCES				
Restricted for:				
Emergency Reserves	1	-	-	1
Debt Service	-	2,035,749	-	2,035,749
Capital Projects	-	-	1,297,746	1,297,746
Unassigned	(6,730)	-	-	(6,730)
Total Fund Balances	<u>(6,729)</u>	<u>2,035,749</u>	<u>1,297,746</u>	<u>3,326,766</u>
	<u>10,853</u>	<u>2,133,208</u>	<u>1,298,873</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances				
	<u>10,853</u>	<u>2,133,208</u>	<u>1,298,873</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(14,688,704)
Developer Advance Payable				(131,904)
Accrued Bond Interest				(714,294)
Accrued Interest on Developer Advance				(13,947)
Net Position of Governmental Activities				<u>\$ (12,222,083)</u>

See accompanying Notes to Basic Financial Statements.

THE CANYONS METROPOLITAN DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 13	\$ 147	\$ -	\$ 160
Specific Ownership Taxes	1	15	-	16
Net Investment Income	-	43,658	91,500	135,158
Facilities Fees	-	410,000	-	410,000
Public Improvement Fees	-	45,929	-	45,929
Total Revenues	<u>14</u>	<u>499,749</u>	<u>91,500</u>	<u>591,263</u>
EXPENDITURES				
General:				
Accounting	22,632	743	-	23,375
Audit	5,000	-	-	5,000
County Treasurer's Fees	-	2	-	2
Dues and Licenses	312	-	-	312
Insurance	2,758	-	-	2,758
Legal	10,397	-	-	10,397
Debt Service:				
Bond Interest - Series 2017A	-	722,750	-	722,750
Paying Agent Fees	-	5,500	-	5,500
Capital:				
Accounting	-	-	2,532	2,532
Legal	-	-	2,437	2,437
Recognition of Public Improvement Costs	-	-	6,330,726	6,330,726
Total Expenditures	<u>41,099</u>	<u>728,995</u>	<u>6,335,695</u>	<u>7,105,789</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(41,085)	(229,246)	(6,244,195)	(6,514,526)
OTHER FINANCING SOURCES (USES)				
Developer Advance	40,665	-	4,131	44,796
Acceptance of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	6,330,726	6,330,726
Repay Developer Advance	-	-	(3,978)	(3,978)
Repay Developer Advance - Interest	-	-	(90,726)	(90,726)
Repayment of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	(6,330,726)	(6,330,726)
Total Other Financing Sources (Uses)	<u>40,665</u>	<u>-</u>	<u>(90,573)</u>	<u>(49,908)</u>
NET CHANGE IN FUND BALANCES	(420)	(229,246)	(6,334,768)	(6,564,434)
Fund Balances - Beginning of Year	<u>(6,309)</u>	<u>2,264,995</u>	<u>7,632,514</u>	<u>9,891,200</u>
FUND BALANCES - END OF YEAR	<u>\$ (6,729)</u>	<u>\$ 2,035,749</u>	<u>\$ 1,297,746</u>	<u>\$ 3,326,766</u>

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ (6,564,434)

Amounts reported for governmental activities in the statement of activities are different because:

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advance	(44,796)
Developer Advance - Interest	(7,675)
Repayment of Developer Advance	3,978

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Bond Interest - Change in Liability	(270,449)
Amortization of Bond Discount	(4,981)
Accrued Interest - Developer Advances	43
	43

Changes in Net Position of Governmental Activities \$ (6,888,314)

**THE CANYONS METROPOLITAN DISTRICT NO. 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 13	\$ 13	\$ -
Specific Ownership Taxes	1	1	-
Total Revenues	<u>14</u>	<u>14</u>	<u>-</u>
EXPENDITURES			
Accounting	25,000	22,632	2,368
Audit	4,500	5,000	(500)
Dues and Licenses	300	312	(12)
Insurance	4,000	2,758	1,242
Legal	20,000	10,397	9,603
Miscellaneous	1,000	-	1,000
Contingency	2,200	-	2,200
Total Expenditures	<u>57,000</u>	<u>41,099</u>	<u>15,901</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,986)	(41,085)	15,901
OTHER FINANCING SOURCES (USES)			
Developer Advance	56,986	40,665	(16,321)
Total Other Financing Sources (Uses)	<u>56,986</u>	<u>40,665</u>	<u>(16,321)</u>
NET CHANGE IN FUND BALANCE	-	(420)	(420)
Fund Balance - Beginning of Year	<u>1,000</u>	<u>(6,309)</u>	<u>(7,309)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,000</u>	<u>\$ (6,729)</u>	<u>\$ (7,729)</u>

See accompanying Notes to Basic Financial Statements.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court of Douglas County, Colorado on June 4, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the City of Castle Pines North (City) in Douglas County, Colorado on October 22, 2009, as amended by a First Amendment thereto approved by the City on December 8, 2015 and by a Second Amendment thereto approved by the City on December 10, 2019 collectively, the "Service Plan." The District operates in connection with Districts Nos. 1 – 5 and 7 – 11 and serves as a financing District.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction, relocation, redevelopment, and completion of public improvements, covenant enforcement services, and planning services, including water, sanitation, streets, security services, park and recreation, public transportation, traffic and safety, limited fire protection, limited television relay and translation, and mosquito control.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2019.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Original Issue Discount/Premium

In the government-wide financial statements, bond discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvements of those assets. If there are significant unspent debt proceeds at year end, the portion of debt attributable to the unspent proceeds is not included in this component.

Restricted – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

Unrestricted – the component of net position that does not meet the definitions above.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

**THE CANYONS METROPOLITAN DISTRICT NO. 6
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2019. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2020.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,117
Cash and Investments - Restricted	3,324,125
Total Cash and Investments	\$ 3,325,242

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2019 consist of the following:

Deposits with Financial Institutions:	\$ 78,338
Investments	<u>3,246,904</u>
Total Cash and Investments	<u><u>\$ 3,325,242</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's cash deposits had a bank balance and a carrying balance of \$78,338.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	<u>\$ 3,246,904</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
Governmental Activities:					
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 11,800,000	\$ -	\$ -	\$ 11,800,000	\$ -
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B	2,997,000	-	-	2,997,000	-
Discount on Series 2017	(113,277)	4,981	-	(108,296)	-
Total Bonds Payable	<u>14,683,723</u>	<u>4,981</u>	<u>-</u>	<u>14,688,704</u>	<u>-</u>
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	383,616	270,449	-	654,065	-
Developer Advance - Operations - Principal	91,050	40,665	-	131,715	-
Developer Advance - Operations - Interest	6,315	7,631	-	13,946	-
Developer Advance - Capital - Principal	36	4,131	3,978	189	-
Developer Advance - Capital - Interest	-	44	43	1	-
Public Improvement Reimbursement Agreement - Principal	-	6,330,726	6,330,726	-	-
Public Improvement Reimbursement Agreement - Interest	-	90,683	90,683	-	-
Total Developer Advance Payable	<u>97,401</u>	<u>6,473,880</u>	<u>6,425,430</u>	<u>145,851</u>	<u>-</u>
Total	<u>\$ 15,164,740</u>	<u>\$ 6,749,310</u>	<u>\$ 6,425,430</u>	<u>\$ 15,488,620</u>	<u>\$ -</u>

The detail of the District's long-term obligations is as follows:

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On May 25, 2017 the District issued \$11,800,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2017A Bonds were used to:

- (a) finance the acquisition, construction, and installation of certain public improvements;
- (b) refund the outstanding balance on the 2016 Bonds;
- (c) fund the Capitalized Interest Fund;
- (d) fund the Senior Reserve Fund; and
- (e) pay the costs of issuing the Bonds.

The Series 2017A Bonds bear interest at a rate of 6.125%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the Series 2017A Bonds are due on December 1, beginning on December 1, 2026. The bonds are subject to redemption prior to maturity at the option of the District on December 1, 2022, or on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed. The Series 2017A Bonds mature on December 1, 2047.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds (Continued)

The Series 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Property Tax Revenues;
- (b) the Senior Specific Ownership Tax Revenues attributable to the Senior Required Mill Levy;
- (c) Capital Fees, including particularly and without limitation, the Facilities Fees;
- (d) Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Pledged Revenue that is not needed to pay debt service on the Series 2017A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$600,000. The Senior Surplus Fund is established and held as an account of the Trustee, and moneys therein are to be used solely for the purpose of paying the principal of and interest on the Series 2017A Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the Series 2017A Bonds shall be applied to the payment of the Series 2017A Bonds.

The Series 2017A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was funded with proceeds from the Series 2017A Bonds in the amount of the Required Reserve of \$1,127,731.

The Series 2017A Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 10.000 mills (as adjusted). For so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 10.000 mills (as adjusted to 11.055), or such lesser amount that will generate Senior Property Tax Revenues (i) sufficient to pay the principal of, premium if any, and interest on the Series 2017A Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (ii) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the Series 2017A Bonds in full. Such maximum and minimum mill levies are subject to adjustment per changes in the residential assessment rate.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds (Continued)

The District's Series 2017A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 722,750	\$ 722,750
2021	-	722,750	722,750
2022	-	722,750	722,750
2023	-	722,750	722,750
2024	-	722,750	722,750
2025-2029	400,000	3,596,601	3,996,601
2030-2034	1,560,000	3,318,219	4,878,219
2035-2039	2,390,000	2,744,306	5,134,306
2040-2044	3,520,000	1,882,519	5,402,519
2045-2047	3,930,000	558,600	4,488,600
Total	<u>\$ 11,800,000</u>	<u>\$ 15,713,995</u>	<u>\$ 27,513,995</u>

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On May 25, 2017 the District issued \$2,997,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2017B Bonds were used to finance the acquisition, construction, and installation of certain public improvements.

The Series 2017B Bonds bear an interest rate of 8.00% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2017B Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest thereof prior to the final maturity date. Rather, principal on the Series 2017B Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Subordinate Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2017B Bonds on December 15 of the then current year. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the Series 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds (Continued)

The Series 2017B Bonds are secured by and payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, which is defined generally in the 2017B Indenture as:

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fee Revenue, including particularly and without limitation, the Facilities Fees;
- (d) all Subordinate PIF Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Pursuant to the Series 2017B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 10.000 mills (as adjusted from January 1, 2009 to 11.055) less the Senior Required Mill Levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2017B Bonds in full.

Due to the uncertainty of the timing of the principal and interest payments on the Series 2017B Bonds, a schedule of the timing of these payments is not available.

2016 Limited Tax General Obligation and Special Revenue Bonds

The District previously authorized its Limited Tax General Obligation and Special Revenue Bonds, Series 2016, in the aggregate principal amount of up to \$17,107,520 and, of such amount, the District has issued \$321,068 in aggregate principal amount. The Series 2016 Bonds were authorized to be issued from time to time in accordance with an Indenture of Trust between the District and UMB Bank, n.a., as trustee thereunder (the "2016 Trustee") dated as of November 1, 2016, as amended by the First Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of the date of issuance of the Bonds (the "2016 First Supplement" and, as so supplemented, the "2016 Indenture").

Proceeds of the Series 2017A Bonds were used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$321,068. As a result of the provisions of the 2016 First Supplement, the Series 2016 Bonds have a reduced aggregate principal amount. The 2016 Indenture and related documents allow for additional draws on the 2016 Bonds of up to \$2,485,000 in aggregate principal amount for the purpose of paying the Original Landowner amounts due pursuant to the District's Reimbursement Obligation under the Master Reimbursement Agreement to the extent proceeds of the Series 2017A and 2017B Bonds are insufficient for such purpose. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2019, the District has authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized May 4, 2010	Amount Authorized November 4, 2014	Authorization Used - Series 2016 Bonds	Authorization Used - Series 2017 Bonds	Authorized But Unissued
Streets	\$ 100,000,000	\$ 226,000,000	\$ -	\$ 3,334,765	\$ 322,665,235
Water	100,000,000	226,000,000	-	4,636,363	321,363,637
Sanitation	100,000,000	226,000,000	309,339	3,258,383	322,432,278
Parks and Recreation	100,000,000	226,000,000	-	3,095,489	322,904,511
Public Transportation	100,000,000	226,000,000	-	-	326,000,000
Television Relay	100,000,000	226,000,000	-	-	326,000,000
Mosquito Control	100,000,000	226,000,000	-	-	326,000,000
Security Services	100,000,000	226,000,000	-	-	326,000,000
Traffic and Safety	100,000,000	226,000,000	-	-	326,000,000
Fire Protection	-	226,000,000	-	-	226,000,000
Operations and Maintenance	100,000,000	226,000,000	-	-	326,000,000
Refundings	100,000,000	226,000,000	-	162,661	325,837,339
Intergovernmental Agreements	100,000,000	226,000,000	-	-	326,000,000
Private Agreements	100,000,000	226,000,000	-	-	326,000,000
Special Assessment Indebtedness	-	226,000,000	-	-	226,000,000
Total	<u>\$ 1,300,000,000</u>	<u>\$ 3,390,000,000</u>	<u>\$ 309,339</u>	<u>\$ 14,487,661</u>	<u>\$ 4,675,203,000</u>

Pursuant to the Amended and Restated Service Plan, the aggregate debt limit is \$226,000,000 for all of District Nos. 2 – 11 combined, exclusive of refundings.

Pursuant to the Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 69.000 mills. The 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.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Developer Advance

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

Operations Funding and Reimbursement Agreement

The District and Oread Canyons, LLC (Oread) entered into a Funding and Reimbursement Agreement (Operations and Maintenance) on May 27, 2016 and as amended on November 21, 2017 (Operations Funding Agreement) whereby Oread agreed to loan moneys to the District for the purpose of covering revenue shortfalls with respect to operation and maintenance expenses of the District.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advance (Continued)

Operations Funding and Reimbursement Agreement (Continued)

Under the Operations Funding Agreement, Oread agrees to loan the District up to \$50,000 per year (the Annual O&M Loan Cap), for four years (being fiscal years 2016, 2017, 2018 and 2019), not to exceed \$200,000 (subject to increase as described below, the "Maximum Loan Amount"). Interest accrues at a rate of 6.5% simple interest, annually. The funds are to be loaned to the District in a series of installments and are to be available to the District through December 31, 2019 (the O&M Loan Obligation Termination Date). Thereafter, the O&M Loan Obligation Termination Date will automatically extend for additional one-year terms unless the Original Landowner provides written notice to the District of termination at least 30 days prior to December 31 of each year. Upon each automatic one-year extension of the O&M Loan Obligation Termination Date, Oread agrees to loan to the District one or more sums of money up to the Annual O&M Loan Cap, and the Maximum Loan Amount shall be increased by the additional amount of such Annual O&M Loan Cap for each extension year, if any.

Each loan advance made under the Operations Funding Agreement accrues simple interest at the rate of 6.5% per annum from the date of such advance until the date the applicable O&M Reimbursement Obligation is issued (or the date such advance is repaid, if earlier).

The balance of advances outstanding as of as of December 31, 2019 is \$131,715 of principal and \$13,946 of interest.

Capital Funding and Reimbursement Agreement

Oread entered into a Funding and Reimbursement Agreement (Capital) on February 23, 2017 and as amended on November 21, 2017 (the Capital Funding Agreement) whereby Oread agreed to loan moneys to the District for the purpose of funding certain capital costs of the District.

Under the Capital Funding Agreement, Oread agrees to loan the District up to \$50,000 per year (the Annual Capital Loan Cap), for four years (being fiscal years 2017, 2018, 2019 and 2020), up to the aggregate of \$200,000 (subject to increase as described below, the "Maximum Capital Loan Amount"). Interest accrues at a rate of 6.5% simple interest, annually. The funds are to be loaned to the District in a series of installments and are to be available to the District through December 31, 2020 (the Capital Loan Obligation Termination Date). Thereafter, the Capital Loan Obligation Termination Date will automatically extend for additional one-year terms unless Oread provides written notice to the District of termination at least 30 days prior to December 31 of each year. Upon each automatic one-year extension of the Capital Loan Obligation Termination Date, Oread agrees to loan to the District one or more sums of money up to the Annual Capital Loan Cap, and the Maximum Capital Loan Amount shall be increased by the additional amount of such Annual Capital Loan Cap for each extension year, if any.

The balance of advances outstanding as of as of December 31, 2019 is \$189 of principal and \$1 of interest.

**THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advance (Continued)

Public Improvements Reimbursement Agreement

Oread entered into a Public Improvement Reimbursement Agreement, dated as of November 2, 2016 and as amended on May 25, 2017, pursuant to which the District and Oread agreed, among other things, that the District No. 6 Reimbursement Obligation (as defined in the Master Reimbursement Agreement – see Note 7) will be paid by the District to Oread from the issuance of Bonds. The Public Improvements Reimbursement Agreement also contains provisions relating to the expectation that the Master Builder is expected to carry out its obligations to cause the construction of Public Improvements. District No. 7 shall provide a certificate to the District pertaining to the District-Eligible Public Improvements so constructed for reimbursement. Reimbursement obligations accrue at an interest rate of 7.5% simple interest, annually. As of December 31, 2019, no amounts were outstanding under this Agreement.

NOTE 5 NET POSITION

The District had a deficit unrestricted net position as of December 31, 2019. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements to be constructed and conveyed to other entities by District No. 7.

NOTE 6 RELATED PARTIES

The Original landowner of the property which constitutes the District is North Canyons, LLLP (the Original Landowner). During 2016, the Original landowner, in connection with Oread, sold property to Shea Canyons (the Master Builder) who will serve as Developer of the project for the first phase of development. The majority members of the Board of Directors are employees, owners or otherwise associated with Oread and may have conflicts of interest in dealing with the District.

NOTE 7 DISTRICT AGREEMENTS

Master Reimbursement Agreement

The District entered into a Master Reimbursement Agreement (the Agreement) with The Canyons Metropolitan District No. 5 (District No. 5) and The Canyons Metropolitan District No. 7 (District No. 7), the Original Landowner, the Master Builder, and Oread. Pursuant to the Agreement, the District and District No. 5 will reimburse Oread and the Original Landowner, respectively, for the costs of the District-Eligible Public Improvements, which are to be constructed by the Master Builder or its assignee, all as more particularly described in the Agreement. District No. 7 will own, operate, and maintain all District-Eligible Public Improvements within its boundaries that are not dedicated to any other public entity.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 DISTRICT AGREEMENTS

Master Reimbursement Agreement (Continued)

Under the Agreement, the Consolidated Service Plan established a combined mill levy limitation (applicable to both debt service and operation and maintenance mill levies imposed by the Districts) of 69.000 mills. The District will impose 10.000 mills for debt service and District No. 5 will impose 40.000 mills for debt service as adjusted for changes in the residential assessment ratio. The District and District No. 5 will each impose 1.000 mill to pay for the respective District's administrative costs. District No. 7 will impose 17.000 mills for operations.

The Agreement states that the District is also entitled to 20% of PIF Revenues and Facilities Fees, and is obligated to pay 20% of the Collective Reimbursement Obligation, or the Bonds used for financing District-Eligible Public Improvements.

The Agreement also sets forth the procedures for submittal, review, certification, and acceptance of the costs of Public Improvements.

Intergovernmental Agreement with the City

As contemplated by the Service Plan, the Canyons Districts (being District Nos. 1 – 11) and the City entered into an Intergovernmental Agreement for The Canyons Metropolitan District Nos. 1 – 11, dated as of December 6, 2010, as amended pursuant to a First Amendment thereto dated December 11, 2015 (as so amended, the "City IGA"), which, among other things, recites the limitations on the Canyons Districts' provision of services and exercise of powers as set forth in the Service Plan.

In addition to the limitations contained in the Service Plan, the City IGA specifies that completed Public Improvements are to be dedicated to the City, Parker Water and Sanitation District (Parker Water), or other appropriate governmental entity. The Canyons Districts are authorized to undertake and coordinate any operational requirements for Public Improvements that will not ultimately be conveyed to the City, Parker Water, or other governmental entity and may also operate and maintain Public Improvements that are pending final acceptance by the City. Upon acceptance by the City, Parker Water, or other appropriate governmental entity, none of the Canyons Districts are authorized to operate or maintain such Public Improvements unless authorized under separate intergovernmental agreement with the City, Parker Water, or such other governmental entity, respectively. The Canyons Districts are specifically authorized to own, operate, and maintain park and recreation improvements and landscaped or open space parcels. The City IGA also specifies that none of the Canyons Districts are authorized to engage in the provision of any television relay and translation facilities or services and, subject to certain exceptions for improvements comprising a portion of the water system improvements, shall not be authorized to provide fire protection facilities or services.

THE CANYONS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, workers' compensation, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limits must be refunded unless the voters approve retention of such revenue.

On May 4, 2010 and November 4, 2014, the District voters passed an election question to increase property taxes \$100,000,000 per election annually as adjusted for inflation, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**THE CANYONS METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 147	\$ 147	\$ -
Specific Ownership Taxes	15	15	-
Net Investment Income	30,000	43,658	13,658
Facilities Fees	205,000	410,000	205,000
Public Improvement Fees	120,000	45,929	(74,071)
Total Revenues	<u>355,162</u>	<u>499,749</u>	<u>144,587</u>
EXPENDITURES			
County Treasurer's Fees	2	2	-
Accounting	-	743	(743)
Bond Interest - Series 2017A	722,750	722,750	-
Bond Interest - Series 2017B	86,780	-	86,780
Paying Agent Fees	5,500	5,500	-
Total Expenditures	<u>815,032</u>	<u>728,995</u>	<u>86,037</u>
NET CHANGE IN FUND BALANCE	(459,870)	(229,246)	230,624
Fund Balance - Beginning of Year	<u>2,624,428</u>	<u>2,264,995</u>	<u>(359,433)</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,164,558</u>	<u>\$ 2,035,749</u>	<u>\$ (128,809)</u>

**THE CANYONS METROPOLITAN DISTRICT NO. 6
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Net Investment Income	\$ 100,000	\$ 100,000	\$ 91,500	\$ (8,500)
Total Revenues	100,000	100,000	91,500	(8,500)
EXPENDITURES				
Accounting	300	3,000	2,532	468
Legal Services	300	3,000	2,437	563
Recognition of Public Improvement Costs	6,314,342	6,331,000	6,330,726	274
Total Expenditures	6,314,942	6,337,000	6,335,695	1,305
EXCESS OF REVENUES UNDER EXPENDITURES				
	(6,214,942)	(6,237,000)	(6,244,195)	(7,195)
OTHER FINANCING SOURCES (USES)				
Acceptance of Reimbursable Costs	6,314,342	6,331,000	6,330,726	(274)
Developer Advance	-	4,200	4,131	(69)
Repay Developer Advance	(10,000)	(10,000)	(3,978)	6,022
Repay Developer Advance Interest	(25,000)	(92,000)	(90,726)	1,274
Repayment of Reimbursable Costs	(6,314,342)	(6,331,000)	(6,330,726)	274
Total Other Financing Sources (Uses)	(35,000)	(97,800)	(90,573)	7,227
NET CHANGE IN FUND BALANCE				
	(6,249,942)	(6,334,800)	(6,334,768)	32
Fund Balance - Beginning of Year	7,608,694	7,632,514	7,632,514	-
FUND BALANCE - END OF YEAR	\$ 1,358,752	\$ 1,297,714	\$ 1,297,746	\$ 32

OTHER INFORMATION

**THE CANYONS METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE
REQUIREMENTS TO MATURITY
LONG-TERM DEBT
DECEMBER 31, 2019**

\$11,800,000 General Obligation Refunding Bonds Series 2017A Interest 6.125% Dated May 25, 2017			
Bonds and Interest Maturing in the Year Ending December 31,	Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2020	\$ -	\$ 722,750	\$ 722,750
2021	-	722,750	722,750
2022	-	722,750	722,750
2023	-	722,750	722,750
2024	-	722,750	722,750
2025	-	722,750	722,750
2026	5,000	722,750	727,750
2027	65,000	722,444	787,444
2028	135,000	718,463	853,463
2029	195,000	710,194	905,194
2030	255,000	698,250	953,250
2031	280,000	682,631	962,631
2032	315,000	665,481	980,481
2033	335,000	646,188	981,188
2034	375,000	625,669	1,000,669
2035	400,000	602,700	1,002,700
2036	445,000	578,200	1,023,200
2037	470,000	550,944	1,020,944
2038	520,000	522,156	1,042,156
2039	555,000	490,306	1,045,306
2040	605,000	456,313	1,061,313
2041	645,000	419,256	1,064,256
2042	705,000	379,750	1,084,750
2043	750,000	336,569	1,086,569
2044	815,000	290,631	1,105,631
2045	865,000	240,713	1,105,713
2046	940,000	187,731	1,127,731
2047	2,125,000	130,156	2,255,156
Total	\$ 11,800,000	\$ 15,713,995	\$ 27,513,995

**THE CANYONS METROPOLITAN DISTRICT NO. 6
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 YEAR ENDED DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2016	\$ 270	0.000	\$ -	\$ -	- %
2017	11,070	11.000	122	122	100.00
2018	13,190	12.055	159	159	100.00
2019	13,320	12.055	160	160	100.00
Estimated for Year Ending December 31, 2020	\$ 8,754,860	12.244	\$ 107,194		

NOTE:
 Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.