

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

**2020 CONSOLIDATED ANNUAL REPORT**

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

**2020 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**”). The annual report is to include information as to any of the following:

**For the year ending December 31, 2020, the Districts make the following report:**

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

The recorded Order for Exclusion and Legal Description of the real property excluded from District No. 3 is attached hereto as **Exhibit A**, and the recorded Order for Inclusion and Legal Description of the real property included into District No. 3 is attached hereto as **Exhibit B**.

The recorded Order for Exclusion and Legal Description of the real property excluded from District No. 2 is attached hereto as **Exhibit C**.

**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, 2020, 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 and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts' Public Improvements as of December 31, 2020.

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

As of December 31, 2020, the Districts had 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, 2020, 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 2020 as follows:

District No. 1	\$ 270.00	District No. 6	\$ 18,434,080.00
District No. 2	\$ 380,510.00	District No. 8	\$ 310.00
District No. 3	\$ 310.00	District No. 9	\$ 310.00
District No. 4	\$ 25,070.00	District No. 10	\$ 310.00
District No. 5	\$ 18,434,090.00	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. 8-11 are currently inactive and did not adopt budgets for 2021. The 2021 budgets for The Canyons Metropolitan District Nos. 1- 6 are attached as **Exhibit D**. The Districts do not plan to construct any public improvements during 2021.

**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. 8-11 were inactive in 2020 and did not file audits or audit exemptions for 2020. The 2020 audit exemption applications for The Canyons Metropolitan District Nos. 1-4 are attached as **Exhibit E**. The 2020 Audits for The Canyons Metropolitan District Nos. 5 & 6 are attached hereto as **Exhibit F**.

**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. 3

DISTRICT COURT, DOUGLAS COUNTY, COLORADO	
Court Address: 4000 JUSTICE WAY, CASTLE ROCK, CO, 80109-7546	DATE FILED: September 16, 2020 10:20 AM
In the Matter of: CANYONS METROPOLITAN DISTRICT NO 3	
<b>△ COURT USE ONLY △</b>	
Case Number: 2001CV758	Division: 6      Courtroom:
<b>Order for Exclusion of Property (Parcel Located at North End of Project)</b>	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 9/16/2020



DAVID JOHN STEVENS  
District Court Judge

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

SEP 18 2020

CHERYL A. 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	
<b>Petitioner:</b>  THE CANYONS METROPOLITAN DISTRICT NO. 3	▲ COURT USE ONLY ▲
<b>By the Court:</b>	Case Number: 2001CV758 Division: 6 Courtroom:
<b>ORDER FOR EXCLUSION</b>	

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. 3, 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. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. 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 \_\_\_\_\_ 2020.

BY THE COURT:

\_\_\_\_\_  
District Court Judge

Attachment to Order - 2001CV758





EXHIBIT A  
(Legal Description of Exclusion Property)

LEGAL DESCRIPTION

THE CANYONS METROPOLITAN DISTRICTS No. 3, 8-11

A PARCEL OF LAND LOCATED IN A PORTION OF SECTION 2, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS FOR THIS DESCRIPTION ARE BASED ON THE WEST LINE OF THE NORTH WEST QUARTER OF SECTION 13, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING ASSUMED TO BEAR N 00°06'11" W, FROM THE WEST QUARTER CORNER OF SAID SECTION 13, BEING A 2 INCH ALUMINUM CAP STAMPED "RMC, T7S, R67W, 1/4, S14/S13, 2002, PLS 23515" TO THE NORTHWEST CORNER OF SAID SECTION 13, BEING A 2 INCH ALUMINUM CAP STAMPED "RMC, T7S, R67W, S11/S12/S14/S13, 2002, PLS 23515, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

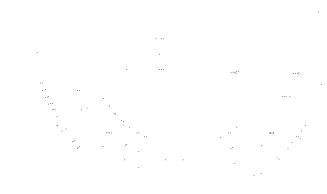
BEGINNING AT THE NORTHWEST CORNER OF GOVERNMENT LOT 1 OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN;

THENCE N89°12'20"E ALONG THE NORTH LINE OF SAID GOVERNMENT LOT 1 OF THE NORTHEAST QUARTER OF SECTION 2, A DISTANCE OF 2250.00 FEET TO A POINT ON "PARCEL 1 REVISED" AS SHOWN ON THE "ORDER FOR IMMEDIATE POSSESSION", DISTRICT COURT, DOUGLAS COUNTY, STATE OF COLORADO CASE NUMBER 08-CV-1689 OF RECORD AT RECEPTION NUMBER 2008057654;

THENCE THE FOLLOWING TWENTY (20) COURSES ALONG THE WESTERLY BOUNDARY LINES OF SAID "PARCEL 1 REVISED";

1. S32°36'41"W, A DISTANCE OF 45.64 FEET;
2. S45°50'00"W, A DISTANCE OF 120.00 FEET;
3. S22°43'21"E, A DISTANCE OF 180.00 FEET;
4. S31°20'25"W, A DISTANCE OF 100.00 FEET;
5. N71°50'22"W, A DISTANCE OF 185.00 FEET;
6. N86°43'27"W, A DISTANCE OF 120.00 FEET;
7. S77°39'47"W, A DISTANCE OF 350.00 FEET;
8. N34°14'40"W, A DISTANCE OF 100.00 FEET;
9. N67°07'22"W, A DISTANCE OF 220.00 FEET;
10. S64°32'16"W, A DISTANCE OF 150.00 FEET;
11. S17°27'33"E, A DISTANCE OF 275.00 FEET;
12. S52°33'17"E, A DISTANCE OF 250.00 FEET;
13. S57°06'30"W, A DISTANCE OF 455.00 FEET;
14. S85°32'06"W, A DISTANCE OF 262.45 FEET;
15. S71°09'56"W, A DISTANCE OF 135.00 FEET;
16. N78°50'43"W, A DISTANCE OF 140.00 FEET;
17. S71°21'21"W, A DISTANCE OF 240.00 FEET;

Attachment to Order 2001CV758



- 18. S49°49'00"W, A DISTANCE OF 170.00 FEET;
- 19. S68°30'42"W, A DISTANCE OF 86.02 FEET;
- 20. S05°50'35"W, A DISTANCE OF 156.25 FEET;

THENCE S 46°41'12" W, ACROSS SAID GOVERNMENT LOT 1 OF THE NORTHEAST QUARTER OF SECTION 1 A DISTANCE OF 147.94 FEET TO THE SOUTHWEST CORNER OF SAID GOVERNMENT LOT 1 OF THE NORTHEAST QUARTER OF SECTION 2;

THENCE N 00°09'47" W, ALONG THE WEST LINE OF SAID GOVERNMENT LOT 1 OF THE NORTHEAST QUARTER OF SECTION 2 A DISTANCE OF 1314.50 FEET TO THE POINT OF BEGINNING.

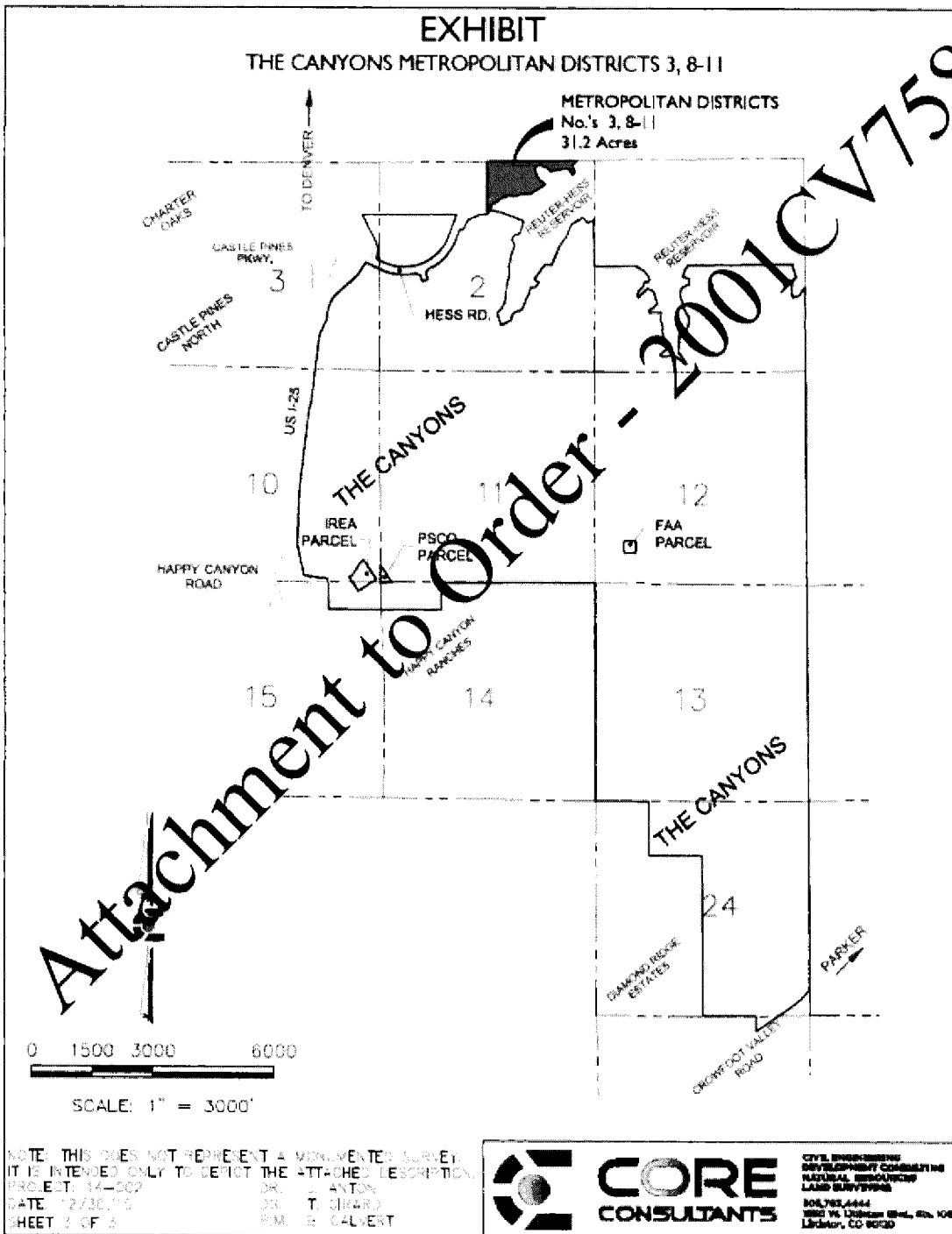
CONTAINING 1,358,312 SQUARE FEET OR 31.2 ACRES, MORE OR LESS.

---

THOMAS M. GIRARD  
COLORADO PLS No. 38151  
FOR AND ON BEHALF OF  
CORE CONSULTANTS, INC.  
1950 W. LITTLETON BLVD, SUITE 109  
LITTLETON, CO 80120



Attachment to Order 2001CV758



**EXHIBIT B**  
Order for Inclusion for District No. 3

DISTRICT COURT, DOUGLAS COUNTY, COLORADO Court Address: 4000 JUSTICE WAY, CASTLE ROCK, CO, 80109-7546	
In the Matter of: CANYONS METROPOLITAN DISTRICT NO 3	
	<b>△ COURT USE ONLY △</b>
	Case Number: 2001CV758 Division: 6                      Courtroom:
<b>Order for Inclusion of Property (Portion of Parcel 2, The Canyons Superblock Plat No. 2)</b>	

The motion/proposed order attached hereto: GRANTED.

Issue Date: 11/27/2020

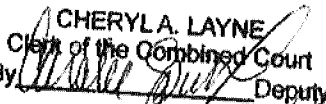


DAVID JOHN STEVENS  
District Court Judge

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

DEC 01 2020



CHERYLA LAYNE  
Clerk of the Combined Court  
By  Deputy

10/5 pages

DISTRICT COURT, DOUGLAS COUNTY, COLORADO  Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (303) 663-7200	
<b>Petitioner:</b>  THE CANYONS METROPOLITAN DISTRICT NO. 3	<b>▲ COURT USE ONLY ▲</b>
<b>By the Court:</b>	Case Number: 2001CV758  Division: 6  Courtroom: _____
<b>ORDER FOR INCLUSION</b> (Portion of Parcel 2, The Canyons Superblock Plat No. 2)	

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. 3, 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 \_\_\_\_\_, 2020.

BY THE COURT:

\_\_\_\_\_  
District Court Judge

**EXHIBIT A**  
**(Legal Description of Inclusion Property)**

**EXHIBIT**

THE CANYONS METROPOLITAN DISTRICT NO. 3 - INCLUSION PARCEL  
SOUTHWEST QUARTER, SECTION 2, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH P.M.,  
CITY OF CASTLE PINES, DOUGLAS COUNTY, COLORADO

LEGAL DESCRIPTION: CANYONS METROPOLITAN DISTRICT NO. 3 INCLUSION PARCEL

A PARCEL OF LAND BEING A PORTION OF PARCEL 2, THE CANYONS SUPERBLOCK PLAT NO. 2, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 2018040799, IN THE RECORDS OF THE DOUGLAS COUNTY CLERK AND RECORDER'S OFFICE, LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF CASTLE PINES, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEARINGS FOR THIS DESCRIPTION ARE BASED UPON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEARING S 89°54'38" E, AS SHOWN ON SAID PLAT, FROM THE SOUTHWEST CORNER OF SAID SECTION 2, BEING MONUMENTED BY A REBAR WITH A 2 INCH ALUMINUM CAP STAMPED "PLS 17488", TO THE SOUTH QUARTER CORNER OF SAID SECTION 2, BEING MONUMENTED BY A REBAR WITH A 2 INCH ALUMINUM CAP STAMPED "PLS 33202" WITH ALL BEARINGS HEREIN RELATIVE THERETO.

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 2, THENCE N 60°49'19" E, A DISTANCE OF 949.24 FEET TO A POINT OF TANGENCY ON THE WEST LINE OF THE CANYONSIDE BOULEVARD RIGHT-OF-WAY, AS DEDICATED BY SAID PLAT, ALSO BEING A POINT ON THE EAST LINE OF SAID PARCEL 2 AND THE POINT OF BEGINNING;

THENCE N 60°31'42" W, A DISTANCE OF 300.00 FEET;

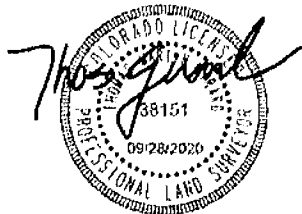
THENCE N 29°28'18" E, A DISTANCE OF 400.00 FEET;

THENCE S 60°31'42" E, A DISTANCE OF 300.00 FEET TO A POINT ON THE WEST LINE OF SAID CANYONSIDE BOULEVARD RIGHT-OF-WAY;

THENCE S 29°28'18" W, ALONG SAID WEST LINE, A DISTANCE OF 400.00 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 120,000 SQUARE FEET OR 2.755 ACRES, MORE OR LESS.

THOMAS M. GIRARD  
COLORADO PLS 38151  
FOR AND ON BEHALF OF  
CORE CONSULTANTS, INC.



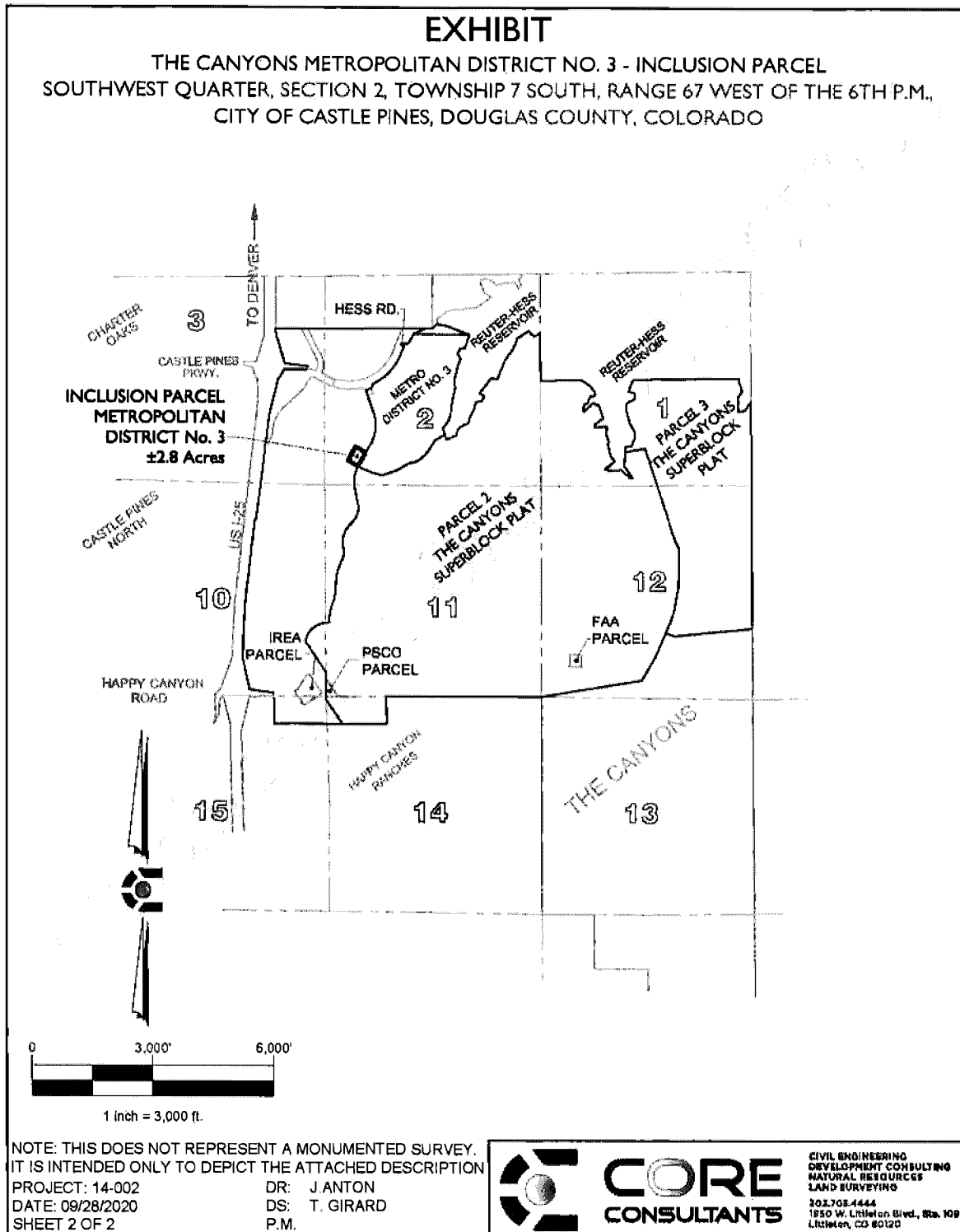
NOTE: THIS DOES NOT REPRESENT A MONUMENTED SURVEY.  
IT IS INTENDED ONLY TO DEPICT THE ATTACHED DESCRIPTION  
PROJECT: 14-002 DR: J ANTON  
DATE: 09/28/2020 DS: T GIRARD  
SHEET 1 OF 2 P M



**CORE**  
CONSULTANTS

CIVIL ENGINEERING  
DEVELOPMENT CONSULTING  
NATURAL RESOURCES  
LAND SURVEYING  
303.793.4444  
1960 W. Littleton Blvd., Ste. 109  
Littleton, CO 80120





**EXHIBIT C**  
Order for Exclusion for District No. 2

DISTRICT COURT, DOUGLAS COUNTY, COLORADO		DATE FILED: August 26, 2020 10:18 AM
Court Address: 4000 Justice Way Castle Rock, CO 80109 Telephone: (303) 663-7200		▲ COURT USE ONLY ▲
<b>Petitioner:</b>  THE CANYONS METROPOLITAN DISTRICT NO. 2		
<b>By the Court:</b>		Case Number: 2001CV757 Division: 5 Courtroom:
<b>ORDER FOR EXCLUSION</b>		

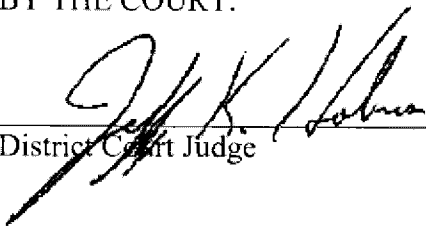
THIS MATTER comes before the Court pursuant to § 32-1-501(1), C.R.S., on Motion for an Order for Exclusion of property from the boundaries of The Canyons Metropolitan District No. 2, City of Castle Pines, Douglas County, Colorado (the "District"). This Court, being fully advised in the premises, and 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. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. 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 26th day of August 2020.

BY THE COURT:

  
\_\_\_\_\_  
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.

SEP 03 2020

CHERYLA LAYNE  
Clerk of the Combined Court  
By \_\_\_\_\_ Deputy



**EXHIBIT A**  
**(Legal Description of Exclusion Property)**

Parcels 3 - 5, as described in The Canyons Superblock Plat No. 2, recorded on July 6, 2018 at Reception Number 2018040799 in Douglas County, Colorado.

**EXHIBIT D**  
**2021 Budgets**  
District Nos. 1-6

**THE CANYONS METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**THE CANYONS METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,005	\$ (10,225)	\$ 1,000
<b>REVENUES</b>			
Interest income	148	50	-
Developer advance	18,493	52,517	27,197
Transfers from District #2	16,102	32,863	27,961
Transfers from District #4	-	-	1,842
Total revenues	34,743	85,430	57,000
Total funds available	35,748	75,205	58,000
<b>EXPENDITURES</b>			
General and administrative			
Accounting	13,532	16,500	17,000
Dues and membership	1,453	1,502	1,550
Insurance and bonds	9,667	10,780	11,000
Legal	21,321	43,506	25,000
Miscellaneous	-	-	1,000
Election expense	-	1,917	-
Contingency	-	-	1,450
Total expenditures	45,973	74,205	57,000
Total expenditures and transfers out requiring appropriation	45,973	74,205	57,000
ENDING FUND BALANCE	\$ (10,225)	\$ 1,000	\$ 1,000
EMERGENCY RESERVE	\$ 500	\$ 1,000	\$ 900

No assurance provided. See summary of significant assumptions.



**THE CANYONS METROPOLITAN DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 250	\$ 270	\$ 270
Certified Assessed Value	\$ 250	\$ 270	\$ 270
<b>MILL LEVY</b>			
General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
<b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 1  
2021 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 as 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  
2021 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 and District No.4 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.

**The Canyons Metropolitan District No. 1  
Schedule of Long-Term Obligations**

	Balance at December 31, 2019	Additions*	Repayments*	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*
Developer Advances	\$ 244,434	\$ 52,517	\$ -	\$ 296,951	\$ 27,197	\$ -	\$ 324,148
	<u>244,434</u>	<u>52,517</u>	<u>-</u>	<u>296,951</u>	<u>27,197</u>	<u>-</u>	<u>324,148</u>
Accrued interest - Developer Advances	73,132	21,779	-	94,911	24,853	-	119,764
	<u>73,132</u>	<u>21,779</u>	<u>-</u>	<u>94,911</u>	<u>24,853</u>	<u>-</u>	<u>119,764</u>
	<u>\$ 317,566</u>	<u>\$ 74,296</u>	<u>\$ -</u>	<u>\$ 391,862</u>	<u>\$ 52,050</u>	<u>\$ -</u>	<u>\$ 443,912</u>

\* Estimates

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	14,835	30,783	26,255
Specific ownership tax	1,488	2,540	2,100
Interest income	2	2	-
Total revenues	<u>16,325</u>	<u>33,325</u>	<u>28,355</u>
Total funds available	<u>16,325</u>	<u>33,325</u>	<u>28,355</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	223	462	394
Transfer to Canyons MD #1	16,102	32,863	27,961
Total expenditures	<u>16,325</u>	<u>33,325</u>	<u>28,355</u>
Total expenditures and transfers out requiring appropriation	<u>16,325</u>	<u>33,325</u>	<u>28,355</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 8,450	\$ 8,870	\$ 5,600
State assessed	205,600	436,600	374,900
Other	950	660	10
	<u>215,000</u>	<u>446,130</u>	<u>380,510</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 215,000</u>	<u>\$ 446,130</u>	<u>\$ 380,510</u>
<b>MILL LEVY</b>			
General	69.000	69.000	69.000
Total mill levy	<u>69.000</u>	<u>69.000</u>	<u>69.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 14,835	\$ 30,783	\$ 26,255
Levied property taxes	14,835	30,783	26,255
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 14,835</u>	<u>\$ 30,783</u>	<u>\$ 26,255</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 14,835</u>	<u>\$ 30,783</u>	<u>\$ 26,255</u>
	<u>\$ 14,835</u>	<u>\$ 30,783</u>	<u>\$ 26,255</u>

**THE CANYONS METROPOLITAN DISTRICT NO. 2**  
**2021 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 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. 2  
2021 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 8% of the property taxes collected by the General Fund.

**Expenditures**

**County Treasurer's Fees**

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

**Intergovernmental Expenditures**

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

**THE CANYONS METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2021 BUDGET  
For the Years Ended and Ending December 31,2021**

1/19/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	17
Specific ownership taxes	-	-	1
Developer advance	-	800,000	3,049,997
Bond issuance	-	750,000	3,000,000
Total revenues	-	1,550,000	6,050,015
Total funds available	-	1,550,000	6,050,015
EXPENDITURES			
General Fund	-	50,000	50,000
Debt Service Fund	-	-	15
Capital Projects Fund	-	1,500,000	6,000,000
Total expenditures	-	1,550,000	6,050,015
Total expenditures and transfers out requiring appropriation	-	1,550,000	6,050,015
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
For the Years Ended and Ending December 31,**

1/19/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Agricultural	\$ -	\$ 310	\$ 310
	-	310	310
Certified Assessed Value	<u>\$ -</u>	<u>\$ 310</u>	<u>\$ 310</u>
<b>MILL LEVY</b>			
General	0.000	0.000	9.000
Debt Service	0.000	0.000	45.000
Total Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>54.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ 3
Debt Service	-	-	14
Levied property taxes	-	-	17
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ 3
Debt Service	-	-	14
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2021 BUDGET  
For the Years Ended and Ending December 31,**

1/19/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	3
Developer advance	-	50,000	49,997
Total revenues	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total funds available	<u>-</u>	<u>50,000</u>	<u>50,000</u>
EXPENDITURES			
General and administrative			
Accounting	-	15,000	15,000
Dues	-	1,000	1,000
Insurance and bonds	-	5,000	5,000
Legal	-	15,000	15,000
Miscellaneous	-	14,000	14,000
Total expenditures	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total expenditures and transfers out	<u>-</u>	<u>50,000</u>	<u>50,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
DEBT SERVICE FUND  
2021 BUDGET  
For the Years Ended and Ending December 31,**

1/19/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	14
Specific ownership taxes	-	-	1
Total revenues	<u>-</u>	<u>-</u>	<u>15</u>
Total funds available	<u>-</u>	<u>-</u>	<u>15</u>
EXPENDITURES			
Debt Service			
Bond interest - Series 2020	-	-	15
Total expenditures	<u>-</u>	<u>-</u>	<u>15</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>15</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
CAPITAL PROJECTS FUND  
2021 BUDGET  
For the Years Ended and Ending December 31,**

1/19/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	750,000	3,000,000
Bond issuance	-	750,000	3,000,000
Total revenues	-	1,500,000	6,000,000
Total funds available	-	1,500,000	6,000,000
EXPENDITURES			
Capital Projects			
Bond issuance costs	-	185,835	15,000
Repay developer advance	-	750,000	3,000,000
Capital outlay	-	564,165	2,985,000
Total expenditures	-	1,500,000	6,000,000
Total expenditures and transfers out requiring appropriation	-	1,500,000	6,000,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
2021 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, 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. 3  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**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.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within 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 6% of the property taxes collected. The budget assumes that specific ownership taxes are allocated to the General Fund.

**Developer Advances**

The District is in the development stage. As such, the operating and administrative expenditures are to be funded by the Developer. Developer advances are to be 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.

**Bond Issuance**

The District anticipates a draw on its Series 2020A(3) Bonds in 2021.

**Expenditures**

**General and Administrative Expenditures**

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

**County Treasurer's Collection Fees**

County Treasurer's collection fees have been computed at 1.50% of property taxes.

**Capital Outlay**

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

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The details of the District's general obligation bonds outstanding during 2020 are as follows:

**Limited Tax General Obligation Bonds, Series 2020A(3) (the Bonds)**

**Bond Proceeds**

The District authorized the issuance from time to time of the Bonds in the aggregate principal amount of up to \$15,750,000 in accordance with an Indenture of Trust between the District and UMB Bank, n.a. as trustee dated September 1, 2020. On September 29, 2020, the District issued \$183,000 of principal to pay the costs of issuing the Bonds. The remaining aggregate principal amount of the Bonds is expected to be issued on a drawdown basis in the future. The Bonds are being issued to finance the acquisition, construction, relocation, installation, or completion of facilities under the Reimbursement Agreement.

**Bonds Details**

The Bonds will be dated as of their respective dated dates, will bear interest at 6.000% per annum, and are payable annually on December 1, beginning on December 1, 2020, from and to the extent of available Pledged Revenue. The Bonds mature on December 1, 2060. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Bonds compounds annually on each December 1.

To the extent principal of the Bonds is not paid when due, such principal shall remain outstanding until the earlier of its payment or the discharge date of December 1, 2070, and shall continue to bear interest at the rate then borne by the Bonds. To the extent interest on any Bonds is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bonds. In the event any amounts due on the Bonds remain unpaid after the application of all Pledged Revenue available therefor on December 1, 2070, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**Bonds Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
September 1, 2025, to August 31, 2026	3.00%
September 1, 2026, to August 31, 2027	2.00
September 1, 2027, to August 31, 2028	1.00
September 1, 2028, and thereafter	0.00

**THE CANYONS METROPOLITAN DISTRICT NO. 3  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

**Bonds Pledged Revenue**

The Bonds are secured by Pledged Revenue which means: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; (c) the Capital Fees; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

“Property Tax Revenues” means all moneys derived from imposition by the District of the Required Mill Levy. Property Tax Revenues are net of collection costs and any tax refunds or abatements authorized by or on behalf of the County and do not include specific ownership tax revenues.

“Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Required Mill Levy.

“Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District, including the Facilities Fees. Capital Fees does not include any fee imposed solely for the purpose of funding operations and maintenance expenses.

**Required Mill Levy**

The District is required to impose a Required Mill Levy upon all taxable property of the District each year in an amount equal to 45 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2020, but in no event in excess of 50 mills (without adjustment)) or such lesser amount that would generate Property Tax Revenues which, when combined with moneys then on deposit in the Bond Fund, will pay the Bonds in full in the year such levy is collected.

**Bonds Debt Service**

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

**Reserves**

**Emergency Reserves**

TABOR requires local government to establish an Emergency Reserve. This reserve must be at least 3% of fiscal year spending. Since all funds received by the District are Developer advances, an Emergency Reserve is not reflected in the District’s budget.

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

**The Canyons Metropolitan District No. 3  
Schedule of Long-Term Obligations**

	Balance at December 31, 2019	Additions*	Repayments*	Balance at December 31, 2020*	Additions*	Repayments*	Balance at December 31, 2021*
Developer Advances	-	\$ 50,000	-	50,000	\$ 49,997	\$ -	\$ 99,997
	-	50,000	-	50,000	49,997	-	99,997
Accrued interest - Developer Advances	-	-	-	-	6,016	-	6,016
	-	-	-	-	6,016	-	6,016
	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 56,013</u>	<u>\$ -</u>	<u>\$ 106,013</u>

\* Estimate

**THE CANYONS METROPOLITAN DISTRICT NO. 4**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**THE CANYONS METROPOLITAN DISTRICT NO. 4  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/21

	ACTUAL 2019	BUDGET 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	1,730
Specific ownership taxes	-	-	138
Total revenues	-	-	1,868
Total funds available	-	-	1,868
EXPENDITURES			
General and administrative			
County Treasurer's fees	-	-	26
Transfer to Canyons MD #1	-	-	1,842
Total expenditures	-	-	1,868
Total expenditures and transfers out requiring appropriation	-	-	1,868
ENDING FUND BALANCE	\$ -	\$ -	\$ -

**THE CANYONS METROPOLITAN DISTRICT NO. 4  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/21

	ACTUAL 2019	BUDGET 2020	BUDGET 2021
<b>ASSESSED VALUATION - DOUGLAS</b>			
Agricultural	\$ -	\$ 4,110	\$ 14,150
Other	-	-	720
State Assessed	-	-	10,200
Certified Assessed Value	<u>\$ -</u>	<u>\$ 4,110</u>	<u>\$ 25,070</u>
<b>MILL LEVY</b>			
General	0.000	0.000	69.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>69.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ -	\$ 1,730
Levied property taxes	-	-	1,730
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>

**THE CANYONS METROPOLITAN DISTRICT NO. 4  
2021 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  
2021 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 on 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 8% of the property taxes collected by the General Fund.

**Expenditures**

**County Treasurer's Fees**

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

**Intergovernmental Expenditures**

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

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.**

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 39,843,808	\$ 13,618,918	\$ 6,905,294
REVENUES			
Property tax	602	399,600	841,387
Specific ownership tax	60	32,875	67,310
Interest income	545,370	60,000	15,000
Developer advance	52,394	80,670	7,486,133
Acceptance of reimbursable costs	25,322,906	19,053,454	19,554,126
Facilities fees	1,640,000	1,000,000	1,240,000
PIF revenue	183,715	448,000	1,127,450
Bond proceeds	-	14,010,000	12,222,000
Total revenues	<u>27,745,047</u>	<u>35,084,599</u>	<u>42,553,406</u>
Total funds available	<u>67,588,855</u>	<u>48,703,517</u>	<u>49,458,700</u>
EXPENDITURES			
General Fund	51,225	65,305	70,146
Debt Service Fund	2,901,273	3,221,678	3,269,008
Capital Projects Fund	51,017,439	38,511,240	39,214,252
Total expenditures	<u>53,969,937</u>	<u>41,798,223</u>	<u>42,553,406</u>
Total expenditures and transfers out requiring appropriation	<u>53,969,937</u>	<u>41,798,223</u>	<u>42,553,406</u>
ENDING FUND BALANCES	<u>\$ 13,618,918</u>	<u>\$ 6,905,294</u>	<u>\$ 6,905,294</u>
EMERGENCY RESERVE	\$ 1	\$ 400	\$ 700
RESERVE FUND	4,529,294	4,529,294	4,529,294
SURPLUS FUND	1,448,039	2,375,000	2,375,000
TOTAL RESERVE	<u>\$ 5,977,334</u>	<u>\$ 6,904,694</u>	<u>\$ 6,904,994</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION - DOUGLAS</b>			
Residential	\$ -	\$ -	\$ 1,784,290
Commercial	-	-	510,790
Agricultural	12,020	7,920	8,100
Natural Resources	1,310	1,600	2,250
Vacant Land	-	8,725,250	16,101,460
State Assessed	-	20,100	27,200
Certified Assessed Value	<u>\$ 13,330</u>	<u>\$ 8,754,870</u>	<u>\$ 18,434,090</u>
<b>MILL LEVY</b>			
General	1.000	1.112	1.112
Debt Service	44.222	44.531	44.531
Total mill levy	<u>45.222</u>	<u>45.643</u>	<u>45.643</u>
<b>PROPERTY TAXES</b>			
General	\$ 13	\$ 9,735	\$ 20,499
Debt Service	589	389,863	820,888
Levied property taxes	<u>602</u>	<u>399,598</u>	<u>841,387</u>
Adjustments to actual/rounding	-	2	-
Budgeted property taxes	<u>\$ 602</u>	<u>\$ 399,600</u>	<u>\$ 841,387</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (5,010)	\$ (7,337)	\$ 1,000
REVENUES			
Property tax	13	9,736	20,499
Specific ownership tax	1	875	1,640
Developer advance	48,884	63,031	48,007
Total revenues	<u>48,898</u>	<u>73,642</u>	<u>70,146</u>
Total funds available	<u>43,888</u>	<u>66,305</u>	<u>71,146</u>
EXPENDITURES			
General and administrative			
Accounting	29,682	32,000	33,000
Auditing	4,500	4,500	4,500
County Treasurer's fee	-	146	310
Dues and licenses	312	314	500
Insurance and bonds	4,008	3,760	4,000
Legal services	12,723	24,000	25,000
Miscellaneous	-	-	1,000
Election expense	-	585	-
Contingency	-	-	1,836
Total expenditures	<u>51,225</u>	<u>65,305</u>	<u>70,146</u>
Total expenditures and transfers out requiring appropriation	<u>51,225</u>	<u>65,305</u>	<u>70,146</u>
ENDING FUND BALANCE	<u>\$ (7,337)</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
EMERGENCY RESERVE	<u>\$ 1</u>	<u>\$ 400</u>	<u>\$ 700</u>
TOTAL RESERVE	<u>\$ 1</u>	<u>\$ 400</u>	<u>\$ 700</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 9,112,508	\$ 8,211,108	\$ 6,904,294
<b>REVENUES</b>			
Property tax	589	389,864	820,888
Specific ownership tax	59	32,000	65,670
Interest income	175,510	45,000	15,000
Facilities fees	1,640,000	1,000,000	1,240,000
PIF revenue	183,715	448,000	1,127,450
Total revenues	1,999,873	1,914,864	3,269,008
Total funds available	11,112,381	10,125,972	10,173,302
<b>EXPENDITURES</b>			
General and administrative			
Accounting	2,970	7,000	10,000
County Treasurer's fee	9	5,848	12,315
Paying agent fees	5,500	8,500	8,500
Debt Service			
Bond interest - Series 2017A	2,892,794	2,892,794	2,892,794
Bond interest - Series 2017B	-	307,536	345,399
Total expenditures	2,901,273	3,221,678	3,269,008
Total expenditures and transfers out requiring appropriation	2,901,273	3,221,678	3,269,008
ENDING FUND BALANCE	\$ 8,211,108	\$ 6,904,294	\$ 6,904,294
RESERVE FUND	\$ 4,529,294	\$ 4,529,294	\$ 4,529,294
SURPLUS FUND	1,448,039	2,375,000	2,375,000
TOTAL RESERVE	\$ 5,977,333	\$ 6,904,294	\$ 6,904,294

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 30,736,310	\$ 5,415,147	\$ -
<b>REVENUES</b>			
Interest income	369,860	15,000	-
Developer advance	3,510	17,639	7,438,126
Acceptance of reimbursable costs	25,322,906	19,053,454	19,554,126
Bond proceeds	-	14,010,000	12,222,000
Total revenues	25,696,276	33,096,093	39,214,252
Total funds available	56,432,586	38,511,240	39,214,252
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	2,852	3,000	3,000
Legal services	1,200	3,000	5,000
Capital Projects			
Repay Developer advance	3,510	8,000	8,000
Repay interest	364,065	211,944	90,000
Recognition of costs	25,322,906	19,053,454	19,554,126
Repayment of reimbursable costs	25,322,906	19,053,454	19,554,126
Bond issue costs	-	178,388	-
Total expenditures	51,017,439	38,511,240	39,214,252
Total expenditures and transfers out requiring appropriation	51,017,439	38,511,240	39,214,252
ENDING FUND BALANCE	\$ 5,415,147	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2021 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 June 4, 2010, and held its organizational meeting on December 6, 2010. 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.

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  
2021 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 8% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

**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  
2021 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 2017 and 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.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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:

- (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 CANYONS METROPOLITAN DISTRICT NO. 5  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

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.

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 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  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

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.

**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 May 25, 2017 (the "2016 First Supplement"), and as further amended by the Second Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of September 29, 2020 (the "2016 Second Supplement" and, as 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. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$68,664,991 to \$11,485,003 based on the then-anticipated residential development within the District. In 2020, the District was advised of changes to the anticipated residential development within the District which allowed the District to increase the amount of the Series 2016 Bonds that can be reasonably expected to be repaid from Pledged Revenue. The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$27,767,003 (including the previously issued bonds), to add a discharge provision to occur on December 15, 2067, and to allow additional draws to occur for a three year period.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

The 2016 Indenture and related documents allow additional draws on the Series 2016 Bonds of up to \$26,232,000 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. On May 11, 2020, the District issued \$9,950,000 of principal and on September 29, 2020, the District issued \$4,060,000 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$12,222,000. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The Series 2016 Bonds bear an interest rate of 7.00% per annum and are payable annually on December 15, but only to the extent of available Pledged Revenue. The Series 2016 Bonds mature on December 15, 2057. The Series 2016 Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Series 2016 Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2016 Bonds on December 15 of the then current year. Unpaid interest on the Series 2016 Bonds compounds annually on each December 15.

In the event that, on December 15, 2067, any amount of principal or interest on the Series 2016 Bonds remains unpaid after application of all Pledged Revenue available therefor in accordance with the 2016 Indenture, the Series 2016 Bonds and the lien of the 2016 Indenture securing payment thereof is to be deemed discharged.

**Series 2016 Limited Tax General Obligation and Special Revenue Bonds**

The Series 2016 Bonds are subject to optional redemption, prior to maturity, at the option of the District, on any date upon payment of par, and accrued interest, without redemption premium.

The Series 2016 Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, net of any costs of collection, which is defined generally in the 2016 Indenture as the following, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues;
- (c) all Capital Fees;
- (d) all Pledged PIF Revenues;
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund; and
- (f) to the extent not included in the foregoing, any other revenues pledged to the payment of Senior Obligations after deduction of any amount applied to the payment of any Senior Obligation Annual Debt Service Requirements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

Property Tax Revenues means all moneys derived from imposition by the District of the 2016 Bond Required Mill Levy and excludes Specific Ownership Tax Revenues. Property Tax Revenues are net of the costs of collection and any tax refunds or abatement authorized by or on behalf of the County.

Pursuant to the 2016 Indenture, the District has covenanted to impose a 2016 Bond Required Mill Levy upon all taxable property of the District in an amount equal to 40 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2009, but in no event in excess of 50 mills (without adjustment)) less the then applicable Senior Required Mill Levy. The Series 2017A Bonds and Series 2017B Bonds constitute Senior Obligations under the 2016 Indenture.

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**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 60,063,481</u>	<u>\$ 107,563,481</u>

No assurance provided. See summary of significant assumptions.



**The Canyons Metropolitan District No. 5  
Schedule of Long-Term Obligations**

	Balance at December 31, 2019	Additions	Repayments	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 47,500,000	\$ -	\$ -	\$ 47,500,000	\$ -	\$ -	\$ 47,500,000
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Principal	11,925,000	-	-	11,925,000	-	-	11,925,000
Discount on Series 2017	(418,267)	-	-	(418,267)	-	-	(418,267)
<b>Total Bonds Payable</b>	<b>59,006,733</b>	<b>-</b>	<b>-</b>	<b>59,006,733</b>	<b>-</b>	<b>-</b>	<b>59,006,733</b>
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	2,602,512	1,162,201	307,536	3,457,177	1,230,574	345,399	4,342,352
Developer Advances - Operations - Principal	130,236	63,031	-	193,267	48,007	-	241,274
Developer Advances - Operations - Interest	11,632	10,042	-	21,674	13,778	-	35,452
Developer Advances - Capital - Principal	-	17,639	2,750	14,889	7,438,126	8,000	7,445,015
Developer Advances - Capital - Interest	-	527	527	-	244,873	-	244,873
Public Improvement Reimbursement Agreement	-	19,053,454	19,053,454	-	19,554,126	19,554,126	-
Public Improvement Reimbursement Agreement - Interest	-	211,417	211,417	-	90,000	90,000	-
<b>Total Developer Advance Payable</b>	<b>2,744,380</b>	<b>20,518,311</b>	<b>19,575,684</b>	<b>3,687,007</b>	<b>28,619,484</b>	<b>19,997,525</b>	<b>12,308,966</b>
<b>Total</b>	<b>\$ 61,751,113</b>	<b>\$ 20,518,311</b>	<b>\$ 19,575,684</b>	<b>\$ 62,693,740</b>	<b>\$ 28,619,484</b>	<b>\$ 19,997,525</b>	<b>\$ 71,315,699</b>

\* Estimate

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 9,891,200	\$ 3,326,766	\$ 1,728,731
REVENUES			
Property taxes	160	107,194	225,707
Specific ownership tax	16	8,675	18,060
Interest income	135,158	15,800	5,000
Developer advance	44,796	70,913	1,959,539
Facilities fees	410,000	250,000	310,000
Acceptance of reimbursable costs	6,330,726	5,552,102	4,888,532
PIF revenue	45,929	112,000	281,870
Bond proceeds	-	4,400,364	3,004,000
Total revenues	<u>6,966,785</u>	<u>10,517,048</u>	<u>10,692,708</u>
Total funds available	<u>16,857,985</u>	<u>13,843,814</u>	<u>12,421,439</u>
EXPENDITURES			
General Fund	41,099	58,787	62,146
Debt Service Fund	728,995	787,277	818,498
Capital Projects Fund	12,761,125	11,269,019	9,812,064
Total expenditures	<u>13,531,219</u>	<u>12,115,083</u>	<u>10,692,708</u>
Total expenditures and transfers out requiring appropriation	<u>13,531,219</u>	<u>12,115,083</u>	<u>10,692,708</u>
ENDING FUND BALANCES	<u>\$ 3,326,766</u>	<u>\$ 1,728,731</u>	<u>\$ 1,728,731</u>
EMERGENCY RESERVE	\$ 1	\$ 400	\$ 700
RESERVE FUND	1,127,731	1,127,731	1,127,731
SURPLUS FUND	364,978	600,000	600,000
TOTAL RESERVE	<u>\$ 1,492,710</u>	<u>\$ 1,728,131</u>	<u>\$ 1,728,431</u>

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

ACTUAL	ESTIMATED	BUDGET
2019	2020	2021

**ASSESSED VALUATION**

Residential	\$ -	\$ -	\$ 1,784,290
Commercial	-	-	510,790
Agricultural	12,010	7,910	8,090
State assessed	-	20,100	27,200
Vacant land	-	8,725,250	16,101,460
Natural resources	1,310	1,600	2,250
Certified Assessed Value	\$ 13,320	\$ 8,754,860	\$ 18,434,080

**MILL LEVY**

General	1.000	1.112	1.112
Debt Service	11.055	11.132	11.132
Total mill levy	12.055	12.244	12.244

**PROPERTY TAXES**

General	\$ 13	\$ 9,735	\$ 20,499
Debt Service	147	97,459	205,208
Levied property taxes	160	107,194	225,707
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 160	\$ 107,194	\$ 225,707

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (6,309)	\$ (6,729)	\$ 1,000
<b>REVENUES</b>			
Property taxes	13	9,735	20,499
Specific ownership tax	1	875	1,640
Developer advance	40,665	55,906	40,007
Total revenues	40,679	66,516	62,146
Total funds available	34,370	59,787	63,146
<b>EXPENDITURES</b>			
General and administrative			
Accounting	22,632	28,000	28,500
Auditing	5,000	5,000	5,000
County Treasurer's fee	-	146	310
Dues and licenses	312	309	500
Insurance and bonds	2,758	2,510	3,000
Legal services	10,397	22,000	22,000
Miscellaneous	-	-	1,000
Election expense	-	822	-
Contingency	-	-	1,836
Total expenditures	41,099	58,787	62,146
Total expenditures and transfers out requiring appropriation	41,099	58,787	62,146
ENDING FUND BALANCE	\$ (6,729)	\$ 1,000	\$ 1,000
EMERGENCY RESERVE	\$ 1	\$ 400	\$ 700
TOTAL RESERVE	\$ 1	\$ 400	\$ 700

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 2,264,995	\$ 2,035,749	\$ 1,727,731
<b>REVENUES</b>			
Property taxes	147	97,459	205,208
Specific ownership tax	15	7,800	16,420
Interest income	43,658	12,000	5,000
Facilities fees	410,000	250,000	310,000
PIF revenue	45,929	112,000	281,870
Total revenues	499,749	479,259	818,498
Total funds available	2,764,744	2,515,008	2,546,229
<b>EXPENDITURES</b>			
General and administrative			
Accounting	743	3,000	5,000
County Treasurer's fee	2	1,462	3,080
Paying agent fees	5,500	8,500	8,500
Debt Service			
Bond interest - Series 2017A	722,750	722,750	722,750
Bond interest - Series 2017B	-	51,565	79,168
Total expenditures	728,995	787,277	818,498
Total expenditures and transfers out requiring appropriation	728,995	787,277	818,498
ENDING FUND BALANCE	\$ 2,035,749	\$ 1,727,731	\$ 1,727,731
RESERVE FUND	\$ 1,127,731	\$ 1,127,731	\$ 1,127,731
SURPLUS FUND	364,978	600,000	600,000
TOTAL RESERVE	\$ 1,492,709	\$ 1,727,731	\$ 1,727,731

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 7,632,514	\$ 1,297,746	\$ -
<b>REVENUES</b>			
Interest income	91,500	3,800	-
Developer advance	4,131	15,007	1,919,532
Bond proceeds	-	4,400,364	3,004,000
Acceptance of reimbursable costs	6,330,726	5,552,102	4,888,532
Total revenues	6,426,357	9,971,273	9,812,064
Total funds available	14,058,871	11,269,019	9,812,064
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	2,532	2,500	2,500
Legal services	2,437	2,000	2,500
Capital Projects			
Bond issue costs	-	87,929	-
Repay developer advance	3,978	5,000	5,000
Repay Developer Advance Interest	90,726	67,386	25,000
Repayment of reimbursable costs	6,330,726	5,552,102	4,888,532
Recognition of costs	6,330,726	5,552,102	4,888,532
Total expenditures	12,761,125	11,269,019	9,812,064
Total expenditures and transfers out requiring appropriation	12,761,125	11,269,019	9,812,064
ENDING FUND BALANCE	\$ 1,297,746	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
2021 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 June 4, 2010, and held its organizational meeting on December 6, 2010. 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  
2021 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 8% 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 0.25%.

**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  
2021 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 2016 and 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.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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:

- (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 CANYONS METROPOLITAN DISTRICT NO. 6**  
**2021 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

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

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 CANYONS METROPOLITAN DISTRICT NO. 6  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

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.

**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 \$17,107,520 and, of such amount, the District has issued \$309,339 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 May 25, 2017 (the "2016 First Supplement") and as further amended by the Second Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of September 29, 2020 (the "2016 Second Supplement" and, as 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 \$309,339. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$17,107,520 to \$2,794,339 based on the then-anticipated residential development within the District. In 2020, the District was advised of changes to the anticipated residential development within the District which allowed the District to increase the amount of the Series 2016 Bonds that can be reasonably expected to be repaid from Pledged Revenue. The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$6,911,339 (including the previously issued bonds), to add a discharge provision to occur on December 15, 2067, and to allow additional draws to occur for a three year period, through September 29, 2023.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

The 2016 Indenture and related documents allow for additional draws on the 2016 Bonds of up to \$6,602,000 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. On May 11, 2020, the District issued \$2,485,000 of principal and on September 29, 2020, the District issued \$1,113,000 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$3,004,000. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The Series 2016 Bonds bear an interest rate of 7.00% per annum and are payable annually on December 15, but only to the extent of available Pledged Revenue. The Series 2016 Bonds mature on December 15, 2057. The Series 2016 Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Series 2016 Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2016 Bonds on December 15 of the then current year. Unpaid interest on the Series 2016 Bonds compounds annually on each December 15.

In the event that, on December 15, 2067, any amount of principal or interest on the Series 2016 Bonds remains unpaid after application of all Pledged Revenue available therefor in accordance with the 2016 Indenture, the Series 2016 Bonds and the lien of the 2016 Indenture securing payment thereof is to be deemed discharged.

The Series 2016 Bonds are subject to optional redemption, prior to maturity at the option of the District, on any date upon payment of par and accrued interest, without redemption premium.

The Series 2016 Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, net of any costs of collection, which is defined generally in the 2016 Indenture as the following, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues;
- (c) all Capital Fees;
- (d) all Pledged PIF Revenues;
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund; and
- (f) to the extent not included in the foregoing, any other revenues pledged to the payment of Senior Obligations after deduction of any amount applied to the payment of any Senior Obligation Annual Debt Service Requirements.

Property Tax Revenues means all moneys derived from imposition by the District of the 2016 Bond Required Mill Levy and excludes Specific Ownership Tax Revenues. Property Tax Revenues are net of the costs of collection and any tax refunds or abatement authorized by or on behalf of the County.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases** (continued)

Pursuant to the 2016 Indenture, the District has covenanted to impose a 2016 Bond Required Mill Levy upon all taxable property of the District in an amount equal to 10 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2009, but in no event in excess of 50 mills (without adjustment)) less the then applicable Senior Required Mill Levy. The Series 2017A Bonds and Series 2017B Bonds constitute Senior Obligations under the 2016 Indenture.

Due to the uncertainty of the timing of the principal and interest payments on the Series 2016 Bonds, a schedule of the timing of these payments is not available.

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. 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**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 14,991,245</u>	<u>\$ 26,791,245</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  
Schedule of Long-Term Obligations**

	Balance at December 31, 2019	Additions	Repayments	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*
Limited Tax GO and Special Revenue Refunding and Improvement Bonds Series 2017A - Principal	\$ 11,800,000	\$ -	\$ -	\$ 11,800,000	\$ -	\$ -	\$ 11,800,000
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Principal	2,997,000	-	-	2,997,000	-	-	2,997,000
Discount on Series 2017	(113,277)	4,981	-	(108,296)	-	-	(108,296)
<b>Total Bonds Payable</b>	<u>14,683,723</u>	<u>4,981</u>	<u>-</u>	<u>14,688,704</u>	<u>-</u>	<u>-</u>	<u>14,688,704</u>
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	654,065	292,085	51,565	894,585	315,452	79,168	1,130,869
Developer Advances - Operations - Principal	131,715	55,906	-	187,621	40,007	-	227,628
Developer Advances - Operations - Interest	13,946	9,796	-	23,742	13,116	-	36,858
Developer Advances - Capital - Principal	189	15,007	5,000	10,196	1,919,532	5,000	1,924,728
Developer Advances - Capital - Interest	1	360	361	-	63,584	-	63,584
Public Improvement Reimbursement Agreement	-	4,763,364	4,763,364	-	4,888,532	4,888,532	-
Public Improvement Reimbursement Agreement - Interest	-	53,399	53,399	-	25,000	25,000	-
<b>Total Developer Advance Payable</b>	<u>799,916</u>	<u>5,189,917</u>	<u>4,873,689</u>	<u>1,116,144</u>	<u>7,265,223</u>	<u>4,997,700</u>	<u>3,383,667</u>
<b>Total</b>	<u>\$ 15,483,639</u>	<u>\$ 5,194,898</u>	<u>\$ 4,873,689</u>	<u>\$ 15,804,848</u>	<u>\$ 7,265,223</u>	<u>\$ 4,997,700</u>	<u>\$ 18,072,371</u>

\* Estimate

**EXHIBIT E**  
2021 Audit Exemption (District Nos. 1-4)

**APPLICATION FOR EXEMPTION FROM AUDIT****SHORT FORM**NAME OF GOVERNMENT  
ADDRESS**The Canyons Metropolitan District No. 1****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  
12/31/20  
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

**3/3/2021****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	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
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	\$ 35	
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)	\$ 52,517	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22	Transfers from Canyons Metropolitan District No. 2	\$ 32,978	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) <b>TOTAL REVENUE</b>	<b>\$ 85,530</b>	

## 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	\$ 3,419	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 10,780	
3-7	Accounting and legal fees	\$ 63,762	
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	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
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	Transfer to other district	\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) <b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 77,961</b>	

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 checked="" type="checkbox"/>	<input 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 - Developer advances will be repaid if and when funds are available</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 - Developer advances will be repaid if and when funds are available</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)	Outstanding at end of prior year*	Issued during year
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ -	\$ -
Leases	\$ -	\$ -
Developer Advances	\$ 244,434	\$ 52,517
Other (specify): Accrued Interest	\$ 73,132	\$ 21,779
<b>TOTAL</b>	<b>\$ 317,566</b>	<b>\$ 74,296</b>

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">11/4/2014</div>	
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input 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	\$ 500	
5-2 Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>		<b>\$ 500</b>
Investments (if investment is a mutual fund, please list underlying investments):		
5-3 CSAFE	\$ 742	
	\$ -	
	\$ -	
	\$ -	
<b>Total Investments</b>		<b>\$ 742</b>
<b>Total Cash and Investments</b>		<b>\$ 1,242</b>

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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?
- 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:

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ 186,135	\$ -	\$ -	\$ 186,135
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): Water and Sewer	\$ 42,700	\$ -	\$ -	\$ 42,700
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 228,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 228,835</b>

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?
- 7-2 Does the entity have a volunteer firemen's pension plan?

If yes: Who administers the plan?

Indicate the contributions from:

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

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

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

Fund Name	Budgeted Expenditures/Expenses
General Fund - Amended	\$ 80,000

## 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:

**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:

**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 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 Jonathan Alpert, 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	Scott Alpert	I Scott Alpert, 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 <small>DocuSigned by:</small> <u>Scott Alpert</u> Date: <u>3/12/2021</u> My term Expires: May 2022
Board Member 3	Darren Everett	I Darren Everett, 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 <small>DocuSigned by:</small> <u>Darren Everett</u> Date: <u>3/12/2021</u> My term Expires: May 2023
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

CliftonLarsonAllen LLP  
www.CLACONnect.com

### Accountant's Compilation Report

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

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 1 as of and for the year ended December 31, 2020, 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. 1.

Greenwood Village, Colorado  
March 3, 2021

## Certificate Of Completion

Envelope Id: 3B9CAFB9ED8C4D079D75C4297F0D7BBB	Status: Completed
Subject: Please DocuSign: CMD1 2020 Audit Exemption.pdf	
Client Name: The Canyons Metropolitan District No. 1	
Client Number: 011-030112-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Ladiella Henderson
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Ladiella.Henderson@claconnect.com
	IP Address: 174.16.138.238

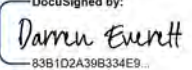
## Record Tracking

Status: Original	Holder: Ladiella Henderson	Location: DocuSign
3/12/2021 10:31:09 AM	Ladiella.Henderson@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: 3/12/2021 10:36:44 AM  
 Viewed: 3/12/2021 10:37:43 AM  
 Signed: 3/12/2021 10:37:57 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/12/2021 10:37:43 AM  
 ID: 0785e30c-4624-42b1-8554-244b0a7d6da5

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

DocuSigned by:  
  
 74D1796090DF40A...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 67.49.91.15

Sent: 3/12/2021 10:36:44 AM  
 Viewed: 3/12/2021 12:16:44 PM  
 Signed: 3/12/2021 12:16:53 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/12/2021 12:16:44 PM  
 ID: f3c2e17a-b372-43ea-86d1-275b7946390f

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

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/12/2021 10:36:44 AM
Certified Delivered	Security Checked	3/12/2021 12:16:44 PM
Signing Complete	Security Checked	3/12/2021 12:16:53 PM
Completed	Security Checked	3/15/2021 2:55:45 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

**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](mailto: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](mailto: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](mailto: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](mailto: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. 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  
12/31/20  
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

**3/3/2021****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	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 30,783	
2-2	Specific ownership	\$ 2,655	
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) <b>TOTAL REVENUE</b>	\$ 33,440	

## 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	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
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 The Canyons Metropolitan District No. 1	\$ 32,978	
3-25	Treasurer's Fees	\$ 462	
3-26	(add lines 3-1 through 3-24) <b>TOTAL EXPENDITURES/EXPENSES</b>	\$ 33,440	

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)	Outstanding at end of prior year*	Issued during year
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ -	\$ -
Leases	\$ -	\$ -
Developer Advances	\$ -	\$ -
Other (specify):	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	<div style="border: 1px solid black; padding: 2px;">11/4/2014</div>	
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input 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	\$ -	
<b>Total Cash Deposits</b>		<b>\$ -</b>
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		<b>\$ -</b>
<b>Total Cash and Investments</b>		<b>\$ -</b>

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	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

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	\$ 33,653

## 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	69.000
<b>Total mills</b>	<b>69.000</b>

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 type="checkbox"/>	<input type="checkbox"/>

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


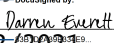
## Policy - Requirements

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 Jonathan Alpert, 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	Scott Alpert	I Scott Alpert, 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: 3/12/2021 My term Expires: May 2022
Board Member 3	Darren Everett	I Darren Everett, 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: 3/12/2021 My term Expires: May 2023
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**

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, 2020, 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.

Greenwood Village, Colorado  
March 3, 2021

## Certificate Of Completion

Envelope Id: 1C81B65759EF404BBB5A3EE72C4A469A

Status: Completed

Subject: Please DocuSign: CMD2 2020 Audit Exemption.pdf

Client Name: The Canyons Metropolitan District No. 2

Client Number: 011-043558-00

Source Envelope:

Document Pages: 8

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Ladiella Henderson

AutoNav: Enabled

220 South 6th Street

Envelopeld Stamping: Enabled

Suite 300

Time Zone: (UTC-06:00) Central Time (US & Canada)

Minneapolis, MN 55402

Ladiella.Henderson@claconnect.com

IP Address: 174.16.138.238

## Record Tracking

Status: Original

Holder: Ladiella Henderson

Location: DocuSign

3/12/2021 10:37:04 AM

Ladiella.Henderson@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: 3/12/2021 10:42:59 AM

Viewed: 3/12/2021 10:47:18 AM

Signed: 3/12/2021 10:47:29 AM

## Electronic Record and Signature Disclosure:

Accepted: 3/12/2021 10:47:18 AM

ID: a829a771-ac8d-42aa-867a-8aafa7f430e1

Scott Alpert

scott@alpertdevelopment.com

Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 74D1796090DF40A...

Signature Adoption: Pre-selected Style

Using IP Address: 67.49.91.15

Sent: 3/12/2021 10:42:59 AM

Viewed: 3/12/2021 12:16:07 PM

Signed: 3/12/2021 12:16:19 PM

## Electronic Record and Signature Disclosure:

Accepted: 3/12/2021 12:16:07 PM

ID: 978304e8-ec55-448d-9196-7b5c51b51ce0

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



<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/12/2021 10:42:59 AM
Certified Delivered	Security Checked	3/12/2021 12:16:07 PM
Signing Complete	Security Checked	3/12/2021 12:16:19 PM
Completed	Security Checked	3/15/2021 2:55:18 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

**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](mailto: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](mailto: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](mailto: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](mailto: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**

LONG FORM

NAME OF GOVERNMENT	The Canyons Metropolitan District No. 3
ADDRESS	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  
12/31/2020  
or fiscal year ended:

**CERTIFICATION OF PREPARER**

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

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	3/3/2021
RELATIONSHIP TO ENTITY	CPA Firm providing accounting services to the District

**PREPARER** (SIGNATURE REQUIRED)

**See Attached Accountant's Compilation Report**

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input type="checkbox"/>	

**PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET**

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Please use this space to provide explanation of any items on this page

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General Fund	Debt Service Fund		Fund*	Fund*
<b>Assets</b>				<b>Assets</b>		
1-1	Cash & Cash Equivalents	\$ 1	\$ -	Cash & Cash Equivalents	\$ -	\$ -
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -
	All Other Assets [specify...]			Other Current Assets	\$ -	\$ -
1-5	Property Tax Receivable	\$ 3	\$ 14			
1-6		\$ -	\$ -	Total Current Assets	\$ -	\$ -
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-9		\$ -	\$ -		\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ 4	\$ 14	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ -	\$ -
1-12	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -
1-13	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 4	\$ 14	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -
<b>Liabilities</b>				<b>Liabilities</b>		
1-14	Accounts Payable	\$ 19,609	\$ -	Accounts Payable	\$ -	\$ -
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-17	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -
1-19	<b>TOTAL CURRENT LIABILITIES</b>	\$ 19,609	\$ -	<b>TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -
1-20	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -
1-21				Other Liabilities [specify...]:	\$ -	\$ -
1-22		\$ -	\$ -		\$ -	\$ -
1-23		\$ -	\$ -		\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27		\$ -	\$ -		\$ -	\$ -
1-28	(add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>	\$ 19,609	\$ -	(add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>	\$ -	\$ -
1-29	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ 3	\$ 14	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ -	\$ -
<b>Fund Balance</b>				<b>Net Position</b>		
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -
1-31	Nonspendable Inventory	\$ -	\$ -			
1-32	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -
1-33	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-34	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-35	Unassigned:	\$ (19,608)	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$ (19,608)	\$ -	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$ -	\$ -
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ 4	\$ 14	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ -	\$ -

**PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET**

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Please use this space to provide explanation of any items on this page

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		Capital Projects Fund	Fund*		Fund*	Fund*
<b>Assets</b>						
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ -	\$ -
1-2	Investments	\$ 4,338	\$ -	Investments	\$ -	\$ -
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -
	All Other Assets [specify...]	\$ -	\$ -	Other Current Assets	\$ -	\$ -
1-5	Property Tax Receivable	\$ -	\$ -			
1-6		\$ -	\$ -	Total Current Assets	\$ -	\$ -
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-9		\$ -	\$ -		\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 4,338	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 4,338	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -
<b>Liabilities</b>						
1-14	Accounts Payable	\$ 14,711	\$ -	Accounts Payable	\$ -	\$ -
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-17	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -
1-19	TOTAL CURRENT LIABILITIES	\$ 14,711	\$ -	TOTAL CURRENT LIABILITIES	\$ -	\$ -
1-20	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -
1-21	Deferred Property Tax	\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -
1-22		\$ -	\$ -		\$ -	\$ -
1-23		\$ -	\$ -		\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27		\$ -	\$ -		\$ -	\$ -
1-28	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ 14,711	\$ -	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ -	\$ -
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -
<b>Fund Balance</b>						
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Position	\$ -	\$ -
1-31	Nonspendable Inventory	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -
1-32	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -
1-33	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-34	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-35	Unassigned:	\$ (10,373)	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-36	Add lines 1-30 through 1-35	\$ (10,373)	\$ -	Add lines 1-30 through 1-35	\$ -	\$ -
1-37	Add lines 1-28, 1-29 and 1-36	\$ 4,338	\$ -	Add lines 1-28, 1-29 and 1-36	\$ -	\$ -

**PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Debt Service Fund		Fund*	Fund*	
<b>Tax Revenue</b>				<b>Tax Revenue</b>			
2-1	Property (include mills levied in Question 10-6)	\$ -	\$ -	Property (include mills levied in Question 10-6)	\$ -	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue (specify...):	\$ -	\$ -	Other Tax Revenue (specify...):	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other (specify...):	\$ -	\$ -	All Other (specify...):	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other (specify...):	\$ -	\$ -	Other (specify...):	\$ -	\$ -	
2-28	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	
2-29	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>

**IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**



**PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Capital Projects Fund	Fund*		Fund*	Fund*	
	<b>Tax Revenue</b>			<b>Tax Revenue</b>			
2-1	Property (include mills levied in Question 10-6)	\$ -	\$ -	Property (include mills levied in Question 10-6)	\$ -	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	<b>Add lines 2-1 through 2-7</b>	\$ -	\$ -	<b>Add lines 2-1 through 2-7</b>	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 2	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23</b>	\$ 3	\$ -	<b>Add lines 2-8 through 2-23</b>	\$ -	\$ -	
	<b>Other Financing Sources</b>			<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ 183,000	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	<b>Add lines 2-25 through 2-27</b>			<b>Add lines 2-25 through 2-27</b>			
	<b>TOTAL OTHER FINANCING SOURCES</b>	\$ 183,000	\$ -	<b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>
2-29	<b>Add lines 2-24 and 2-28</b>			<b>Add lines 2-24 and 2-28</b>			
	<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 183,002	\$ -	<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	\$ 183,003

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - **STOP**. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

**PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Debt Service Fund		Fund*	Fund*	
<b>Expenditures</b>				<b>Expenses</b>			
3-1	General Government	\$ 19,608	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal	\$ -	\$ -	Principal	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b>	\$ 19,608	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	<b>GRAND TOTAL</b>
	<b>TOTAL EXPENDITURES</b>			<b>TOTAL EXPENSES</b>			<b>19,608</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>			<b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)</b>			
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -	<b>TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	\$ (19,608)	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31			Net Position, December 31			
	Sum of Line 3-30, 3-31, and 3-32			Line 3-30 plus line 3-31			
	This total should be the same as line 1-36.	\$ (19,608)	\$ -	This total should be the same as line 1-36.	\$ -	\$ -	

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

**PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Capital Projects Fund	Fund*		Fund*	Fund*	
3-1	General Government	\$ 10,710	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal	\$ -	\$ -	Principal	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21	Bond Issuance Costs	\$ 182,665	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b>	\$ 193,375	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	<b>GRAND TOTAL</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 193,375
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>	\$ -	\$ -	<b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)</b>	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	\$ (10,373)	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year	\$ -	\$ -	Net Position, January 1 from December 31 prior year	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31	\$ (10,373)	\$ -	Net Position, December 31	\$ -	\$ -	

**IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**

**PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED**

Please answer the following questions by marking the appropriate boxes.

4-1 Does the entity have outstanding debt?  YES  NO

4-2 Is the debt repayment schedule attached? If no, MUST explain:  YES  NO  
The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest.

4-3 Is the entity current in its debt service payments? If no, MUST explain:  YES  NO

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ 183,000	\$ -	\$ 183,000
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ 183,000	\$ -	\$ 183,000

\*must agree to prior year ending balance

Please use this space to provide any explanations or comments:

Please answer the following questions by marking the appropriate boxes.

4-5 Does the entity have any authorized, but unissued, debt?  YES  NO

If yes: How much?   
Date the debt was authorized:

4-6 Does the entity intend to issue debt within the next calendar year?  YES  NO

If yes: How much?

4-7 Does the entity have debt that has been refinanced that it is still responsible for?  YES  NO

If yes: What is the amount outstanding?

4-8 Does the entity have any lease agreements?  YES  NO

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?  YES  NO  
What are the annual lease payments?

**PART 5 - CASH AND INVESTMENTS**

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

	AMOUNT	TOTAL
5-1 YEAR-END Total of ALL Checking and Savings accounts	\$ 1	
5-2 Certificates of deposit	\$ -	
<b>TOTAL CASH DEPOSITS</b>		\$ 1

Investments (if investment is a mutual fund, please list underlying investments):

5-3 CSAFE	\$ 4,338	
	\$ -	
	\$ -	
	\$ -	
<b>TOTAL INVESTMENTS</b>		\$ 4,338
<b>TOTAL CASH AND INVESTMENTS</b>		\$ 4,339

Please use this space to provide any explanations or comments:

Please answer the following question by marking in the appropriate box

5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?  YES  NO  N/A

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.)? If no, MUST explain:  YES  NO  N/A

**PART 6 - CAPITAL ASSETS**

Please answer the following question by marking in the appropriate box

6-1 Does the entity have capitalized 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 does not own any capital assets

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -

\*must agree to prior year ending balance

Please use this space to provide any explanations or comments:

**PART 7 - PENSION INFORMATION**

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
7-1	Does the entity have an "old hire" firemen's pension plan?	<input type="checkbox"/>	<input type="checkbox"/>	
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input type="checkbox"/>	
If yes: Who administers the plan?				
Indicate the contributions from:				
	Tax (property, SO, sales, etc.):	\$	-	
	State contribution amount:	\$	-	
	Other (gifts, donations, etc.):	\$	-	
	<b>TOTAL</b>	\$	-	
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?				
		\$	-	

**PART 8 - BUDGET INFORMATION**

Please answer the following question by marking in the appropriate box		YES	NO	N/A	Please use this space to provide any explanations or comments:
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
If yes: Please indicate the amount budgeted for each fund for the year reported					
	<b>Fund Name</b>	<b>Budgeted Expenditures/Expenses</b>			
	General Fund	\$	50,000		
	Capital Projects Fund	\$	4,655,000		
		\$	-		
		\$	-		

**PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)**

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
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	<input type="checkbox"/>	<input type="checkbox"/>	

**PART 10 - GENERAL INFORMATION**

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
10-1	Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input type="checkbox"/>	
If yes: Date of formation:				
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes: NEW name				
PRIOR name				
10-3	Is the entity a metropolitan district?	<input type="checkbox"/>	<input type="checkbox"/>	
10-4	Please indicate what services the entity provides:			
See below				
10-5	Does the entity have an agreement with another government to provide services?	<input type="checkbox"/>	<input type="checkbox"/>	
If yes: List the name of the other governmental entity and the services provided:				
Consolidated Service Plan with The Canyons Metropolitan District Nos. 1-2, 4-5, and 8-11				
10-6	Does the entity have a certified mill levy?	<input type="checkbox"/>	<input type="checkbox"/>	
If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):				
	Bond Redemption mills	0.000		
	General/Other mills	0.000		
	<b>Total mills</b>	0.000		

Please use this space to provide any additional explanations or comments not previously included:

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

**OSA USE ONLY**

Entity Wide:	General Fund	Governmental Funds	Notes
Unrestricted Cash & Investments \$	4,339 Unrestricted Fund Balan \$	(19,608) Total Tax Revenue \$	-
Current Liabilities \$	19,609 Total Fund Balance \$	(19,608) Revenue Paying Debt Service \$	-
Deferred Inflow \$	17 PY Fund Balance \$	- Total Revenue \$	-
	Total Revenue \$	- Total Debt Service Principal \$	-
	Total Expenditures \$	19,608 Total Debt Service Interest \$	-
	Interfund In \$	-	-
<b>Governmental</b>	1 Interfund Out \$	- <b>Enterprise Funds</b>	
Total Cash & Investments \$	- <b>Proprietary</b>	Net Position \$	-
Transfers In \$	- Current Assets \$	- PY Net Position \$	-
Transfers Out \$	- Deferred Outflow \$	- <b>Government-Wide</b>	
Property Tax \$	- Current Liabilities \$	- Total Outstanding Debt \$	183,000
Debt Service Principal \$	19,608 Deferred Inflow \$	- Authorized but Unissued \$	2,259,817,000
Total Expenditures \$	- Cash & Investments \$	- Year Authorized	11/4/2014
Total Developer Advances \$	- Principal Expense \$		
Total Developer Repayments \$			

**PART 12 - 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 type="checkbox"/>	<input type="checkbox"/>

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

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.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of <u>ALL</u> members of the governing body below.		A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.	
1	Full Name <b>Jonathan Alpert</b>	I, Jonathan Alpert, attest that 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	
2	Full Name <b>Scott Alpert</b>	I, Scott Alpert, attest that 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: <b>3/12/2021</b> My term Expires: May 2022 <small>DocuSigned by:</small> <i>Scott Alpert</i> <small>742D1796D05DF4DA</small>	
3	Full Name <b>Darren Everett</b>	I, Darren Everett, attest that 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: <b>3/12/2021</b> My term Expires: May 2023 <small>DocuSigned by:</small> <i>Darren Everett</i> <small>5381D2A29B9334E9</small>	
4	Full Name	I, _____, attest that 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: _____	
5	Full Name	I, _____, attest that 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: _____	
6	Full Name	I, _____, attest that 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: _____	
7	Full Name	I, _____, attest that 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**

CliftonLarsonAllen LLP  
www.CLAConnect.com

## **Accountant's Compilation Report**

Board of Directors  
The Canyons Metropolitan District No. 3  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 3 as of and for the year ended December 31, 2020, 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. 3.

Greenwood Village, Colorado  
March 3, 2021

## Certificate Of Completion

Envelope Id: 6C87976F76DE49AD99D5A047076BAE44

Status: Completed

Subject: Please DocuSign: CMD3 2020 Audit Exemption.pdf

Client Name: The Canyons Metropolitan District No. 3

Client Number: 011-043559-00

Source Envelope:

Document Pages: 11

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Ladiella Henderson

AutoNav: Enabled

220 South 6th Street

Envelopeld Stamping: Enabled

Suite 300

Time Zone: (UTC-06:00) Central Time (US & Canada)

Minneapolis, MN 55402

Ladiella.Henderson@claconnect.com

IP Address: 174.16.138.238

## Record Tracking

Status: Original

Holder: Ladiella Henderson

Location: DocuSign

3/12/2021 10:43:17 AM

Ladiella.Henderson@claconnect.com

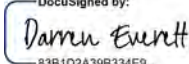
## Signer Events

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: 3/12/2021 10:47:09 AM

Viewed: 3/12/2021 10:48:10 AM

Signed: 3/12/2021 10:48:16 AM

## Electronic Record and Signature Disclosure:

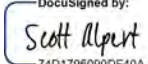
Accepted: 3/12/2021 10:48:10 AM

ID: 1cb02249-622f-4404-9f5b-c1e561715d41

Scott Alpert

scott@alpertdevelopment.com

Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 74D1796090DF40A...

Signature Adoption: Pre-selected Style

Using IP Address: 67.49.91.15

Sent: 3/12/2021 10:47:08 AM

Viewed: 3/12/2021 12:14:27 PM

Signed: 3/12/2021 12:14:41 PM

## Electronic Record and Signature Disclosure:

Accepted: 3/12/2021 12:14:27 PM

ID: 408faebc-e3bf-4681-8a41-4a58db00ce0e

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



<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/12/2021 10:47:09 AM
Certified Delivered	Security Checked	3/12/2021 12:14:27 PM
Signing Complete	Security Checked	3/12/2021 12:14:41 PM
Completed	Security Checked	3/15/2021 2:54:52 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

<b>Electronic Record and Signature Disclosure</b>
---

## **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](mailto: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](mailto: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](mailto: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](mailto: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  
12/31/20  
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

**3/3/2021****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	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
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)	Outstanding at end of prior year*	Issued during year
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ -	\$ -
Leases	\$ -	\$ -
Developer Advances	\$ -	\$ -
Other (specify):	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	<div style="border: 1px solid black; padding: 2px;">11/4/2014</div>	
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input 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	\$ -	
<b>Total Cash Deposits</b>		<b>\$ -</b>
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		<b>\$ -</b>
<b>Total Cash and Investments</b>		<b>\$ -</b>

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	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

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. 1-2, 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	0.000
<b>Total mills</b>	<b>0.000</b>

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 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 Jonathan Alpert, 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	Scott Alpert	I Scott Alpert, 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 <small>DocuSigned by:</small> <i>Scott Alpert</i> _____ Date: 3/12/2021 My term Expires: May 2022
Board Member 3	Darren Everett	I Darren Everett, 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 <small>DocuSigned by:</small> <i>Darren Everett</i> _____ Date: 3/14/2021 My term Expires: May 2023
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**

CliftonLarsonAllen LLP  
www.CLAConnect.com

## **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, 2020, 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  
March 3, 2021

## Certificate Of Completion

Envelope Id: 481F5EA5BF98464C96C946134D9CB645	Status: Completed
Subject: Please DocuSign: CMD4 2020 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	Ladiella Henderson
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	Ladiella.Henderson@claconnect.com
	IP Address: 174.16.138.238

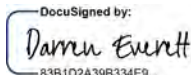
## Record Tracking

Status: Original	Holder: Ladiella Henderson	Location: DocuSign
3/12/2021 10:47:27 AM	Ladiella.Henderson@claconnect.com	

## Signer Events

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

## Signature

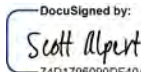
DocuSigned by:  
  
83B1D2A39B334E9...  
Signature Adoption: Pre-selected Style  
Using IP Address: 174.51.200.187  
Signed using mobile

## Timestamp

Sent: 3/12/2021 10:49:26 AM  
Viewed: 3/12/2021 10:50:50 AM  
Signed: 3/14/2021 9:00:21 AM

**Electronic Record and Signature Disclosure:**  
Accepted: 3/12/2021 10:50:50 AM  
ID: e8ad93e1-8fe1-47f8-b743-e8505d8d14e6

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

DocuSigned by:  
  
74D1796090DF40A...  
Signature Adoption: Pre-selected Style  
Using IP Address: 67.49.91.15

Sent: 3/12/2021 10:49:26 AM  
Viewed: 3/12/2021 12:13:41 PM  
Signed: 3/12/2021 12:14:01 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 3/12/2021 12:13:41 PM  
ID: 74e88519-ef84-4b24-84cf-b1c47084f61d

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

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/12/2021 10:49:26 AM
Certified Delivered	Security Checked	3/12/2021 12:13:41 PM
Signing Complete	Security Checked	3/12/2021 12:14:01 PM
Completed	Security Checked	3/15/2021 2:56:09 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

<b>Electronic Record and Signature Disclosure</b>
---

## **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](mailto: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](mailto: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](mailto: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](mailto: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.

**EXHIBIT F**  
2020 Audits (District Nos. 5 & 6)

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020**

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>27</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND     ACTUAL</b>	<b>28</b>
<b>OTHER INFORMATION</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY – LONG-     TERM DEBT</b>	<b>30</b>
<b>SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>31</b>
<b>SCHEDULE OF LARGEST TAXPAYERS WITHIN THE DISTRICT</b>	<b>32</b>



---

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, 2020, 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](mailto:info@dazziocpa.com)

• 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. 5, as of December 31, 2020, 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.

*Daggio & Associates, P.C.*

April 8, 2021

## **BASIC FINANCIAL STATEMENTS**

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 10,600
Cash and Investments - Restricted	7,002,095
Receivable from County Treasurer	3,090
Property Taxes Receivable	841,387
Total Assets	7,857,172
<b>LIABILITIES</b>	
Accounts Payable	10,292
Due to Canyons Metro District No. 6	4,167
Accrued Interest Payable	241,066
Noncurrent Liabilities:	
Due in More Than One Year	80,789,449
Total Liabilities	81,044,974
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	841,387
Total Deferred Inflows of Resources	841,387
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	400
Unrestricted	(74,029,589)
Total Net Position	\$ (74,029,189)

See accompanying Notes to Basic Financial Statements.





**THE CANYONS METROPOLITAN DISTRICT NO. 5  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 10,600	\$ -	\$ -	\$ 10,600
Cash and Investments - Restricted	400	6,995,753	5,942	7,002,095
Receivable from County Treasurer	60	3,030	-	3,090
Property Tax Receivable	20,499	820,888	-	841,387
Total Assets	\$ 31,559	\$ 7,819,671	\$ 5,942	\$ 7,857,172
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,835	\$ 1,731	\$ 726	\$ 10,292
Due to District No. 6	-	4,167	-	4,167
Total Liabilities	7,835	5,898	726	14,459
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	20,499	820,888	-	841,387
Total Deferred Inflows or Resources	20,499	820,888	-	841,387
 <b>FUND BALANCES</b>				
Nonspendable for:				
Restricted for:				
Emergency Reserves	400	-	-	400
Debt Service	-	6,992,885	-	6,992,885
Capital Projects	-	-	5,216	5,216
Unassigned	2,825	-	-	2,825
Total Fund Balances	3,225	6,992,885	5,216	7,001,326
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,559	\$ 7,819,671	\$ 5,942	

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	(76,245,406)
Developer Advance Payable	(210,927)
Accrued Bond Interest	(4,551,756)
Accrued Interest on Developer Advance	(22,426)
	(76,245,406)

Net Position of Governmental Activities

\$ (74,029,189)

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, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 9,735	\$ 389,864	\$ -	\$ 399,599
Specific Ownership Taxes	841	33,627	-	34,468
Net Investment Income	-	43,619	11,669	55,288
Facilities Fees	-	732,000	-	732,000
Public Improvement Fees	-	496,159	-	496,159
Total Revenues	<u>10,576</u>	<u>1,695,269</u>	<u>11,669</u>	<u>1,717,514</u>
<b>EXPENDITURES</b>				
General:				
Accounting	33,057	6,350	-	39,407
Audit	4,500	-	-	4,500
County Treasurer's Fees	146	5,848	-	5,994
Dues and Licenses	314	-	-	314
Insurance	3,760	-	-	3,760
Election	585	-	-	585
Legal	22,286	-	-	22,286
Miscellaneous	950	-	-	950
Bond Interest - Series 2017A	-	2,892,794	-	2,892,794
Paying Agent Fees	-	8,500	-	8,500
Accounting	-	-	5,393	5,393
Cost of Issuance	-	-	172,450	172,450
Legal	-	-	3,464	3,464
Recognition of Public Improvement Costs	-	-	22,208,406	22,208,406
Total Expenditures	<u>65,598</u>	<u>2,913,492</u>	<u>22,389,713</u>	<u>25,368,803</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(55,022)	(1,218,223)	(22,378,044)	(23,651,289)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	65,584	-	17,857	83,441
Acceptance of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	22,208,406	22,208,406
Bond Proceeds	-	-	17,219,454	17,219,454
Repay Developer Advance	-	-	(2,750)	(2,750)
Repayment of Developer Advance - Interest	-	-	(266,448)	(266,448)
Repayment of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	(22,208,406)	(22,208,406)
Total Other Financing Sources	<u>65,584</u>	<u>-</u>	<u>16,968,113</u>	<u>17,033,697</u>
<b>NET CHANGE IN FUND BALANCES</b>	10,562	(1,218,223)	(5,409,931)	(6,617,592)
Fund Balances - Beginning of Year	<u>(7,337)</u>	<u>8,211,108</u>	<u>5,415,147</u>	<u>13,618,918</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,225</u>	<u>\$ 6,992,885</u>	<u>\$ 5,216</u>	<u>\$ 7,001,326</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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (6,617,592)

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	(83,441)
Bond Proceeds	(17,219,454)
Repayment of Developer Advance - Interest	25
Repayment of Developer Advance	2,750

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	(1,708,178)
Amortization of Bond Discount	(19,219)
Accrued Interest - Developer Advances	(10,819)
	(10,819)

Changes in Net Position of Governmental Activities \$ (25,655,928)

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 9,735	\$ 9,735	\$ -
Specific Ownership Taxes	875	841	(34)
Total Revenues	<u>10,610</u>	<u>10,576</u>	<u>(34)</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	31,500	33,057	(1,557)
Audit	4,500	4,500	-
Contingency	1,104	-	1,104
County Treasurer's Fees	146	146	-
Dues and Licenses	500	314	186
Insurance	4,250	3,760	490
Election	2,000	585	1,415
Legal	21,000	22,286	(1,286)
Miscellaneous	1,000	950	50
Total Expenditures	<u>66,000</u>	<u>65,598</u>	<u>402</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(55,390)	(55,022)	368
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In (Out)	-	-	-
Developer Advance	55,390	65,584	10,194
Total Other Financing Sources	<u>55,390</u>	<u>65,584</u>	<u>10,194</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	10,562	10,562
Fund Balance - Beginning of Year	<u>1,000</u>	<u>(7,337)</u>	<u>(8,337)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,000</u>	<u>\$ 3,225</u>	<u>\$ 2,225</u>

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, parks 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, 2020**

**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, 2020**

**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.

**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, 2020**

**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, 2020**

**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.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 10,600
Cash and Investments - Restricted	7,002,095
Total Cash and Investments	\$ 7,012,695

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions	\$ 18,000
Investments	6,994,695
Total Cash and Investments	\$ 7,012,695

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**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, 2020, the District's cash deposits had a bank balance and a carrying balance of \$18,000.

**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.

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

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2020, 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>\$ 6,994,695</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, 2020**

**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, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
<b>Governmental Activities</b>					
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	(418,267)	19,219	-	(399,048)	-
Limited Tax GO and Special Revenue Bonds Series 2016 - Principal	-	17,219,454	-	17,219,454	-
Total Bonds Payable	<u>59,006,733</u>	<u>17,238,673</u>	<u>-</u>	<u>76,245,406</u>	<u>-</u>
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - interest	2,602,512	1,162,201	-	3,764,713	-
Limited Tax GO and Special Revenue Bonds Series 2016 - interest	-	545,977	-	545,977	-
Developer Advance - Operations - Principal	130,236	65,584	-	195,820	-
Developer Advance - Operations - Interest	11,632	10,405	-	22,037	-
Developer Advance - Capital - Principal	-	17,857	2,750	15,107	-
Developer Advance - Capital - Interest	-	414	25	389	-
Public Improvement Reimbursement Agreement	-	22,208,406	22,208,406	-	-
Public Improvement Reimbursement Agreement - Interest	-	266,423	266,423	-	-
Total Developer Advance Payable	<u>141,868</u>	<u>22,569,089</u>	<u>22,477,604</u>	<u>233,353</u>	<u>-</u>
Total	<u>\$ 61,751,113</u>	<u>\$ 41,515,940</u>	<u>\$ 22,477,604</u>	<u>\$ 80,789,449</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, 2020**

**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, 2020**

**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>
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
2026-2030	2,680,000	14,297,170	16,977,170
2031-2035	6,905,000	12,902,770	19,807,770
2036-2040	10,430,000	10,426,969	20,856,969
2041-2045	15,170,000	6,695,236	21,865,236
2046-2047	12,315,000	1,277,369	13,592,369
Total	<u>\$ 47,500,000</u>	<u>\$ 60,063,484</u>	<u>\$ 107,563,484</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, 2020**

**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, on November 10, 2016, the District 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 May 25, 2017 (the "2016 First Supplement"), and as further amended by the Second Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of September 29, 2020 (the "2016 Second Supplement" and, as 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 \$1,535,003. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$68,664,991 to \$11,485,003 based on the then-anticipated residential development within the District. In 2020, the District was advised of changes to the anticipated residential development within the District which allowed the District to increase the amount of the Series 2016 Bonds that can be reasonably expected to be repaid from Pledged Revenue.



**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2016 Limited Tax General Obligation and Special Revenue Bonds (Continued)**

The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$27,767,003 (including the previously issued bonds), to add a discharge provision to occur on December 15, 2067, and to allow additional draws to occur for a three year period.

The 2016 Indenture and related documents allow additional draws on the Series 2016 Bonds of up to \$26,232,000 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. On May 11, 2020, the District issued \$9,950,000 of principal, on September 29, 2020, the District issued \$4,060,000 of principal, and on November 18, 2020, the District issued \$3,209,454 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$9,012,546. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The Series 2016 Bonds bear an interest rate of 7.00% per annum and are payable annually on December 15, but only to the extent of available Pledged Revenue. The Series 2016 Bonds mature on December 15, 2057. The Series 2016 Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Series 2016 Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2016 Bonds on December 15 of the then current year. Unpaid interest on the Series 2016 Bonds compounds annually on each December 15.

In the event that, on December 15, 2067, any amount of principal of or interest on the Series 2016 Bonds remains unpaid after application of all Pledged Revenue available therefor in accordance with the 2016 Indenture, the Series 2016 Bonds and the lien of the 2016 Indenture securing payment thereof is to be deemed discharged.

The Series 2016 Bonds are subject to optional redemption, prior to maturity, at the option of the District, on any date upon payment of par, and accrued interest, without redemption premium.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2016 Limited Tax General Obligation and Special Revenue Bonds (Continued)**

The Series 2016 Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, net of any costs of collection, which is defined generally in the 2016 Indenture as the following, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues;
- (c) all Capital Fees;
- (d) all Pledged PIF Revenues; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund; and to the extent not included in the foregoing, any other revenues pledged to the payment of Senior Obligations after deduction of any amount applied to the payment of any Senior Obligation Annual Debt Service Requirements.

Property Tax Revenues means all moneys derived from imposition by the District of the 2016 Bond Required Mill Levy and excludes Specific Ownership Tax Revenues. Property Tax Revenues are net of the costs of collection and any tax refunds or abatement authorized by or on behalf of the County.

Pursuant to the 2016 Indenture, the District has covenanted to impose a 2016 Bond Required Mill Levy upon all taxable property of the District in an amount equal to 40 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2009, but in no event in excess of 50 mills (without adjustment)) less the then applicable Senior Required Mill Levy. The Series 2017A Bonds and Series 2017B Bonds constitute Senior Obligations under the 2016 Indenture.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

At December 31, 2020, 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	\$ 11,804,041	\$ 12,987,080	\$ 301,208,879
Water	100,000,000	226,000,000	1,306,603	13,423,477	311,269,920
Sanitation	100,000,000	226,000,000	4,522,202	18,700,068	302,777,730
Parks and Recreation	100,000,000	226,000,000	1,121,611	12,034,375	312,844,014
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	-	744,997	325,255,003
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>\$ 18,754,457</u>	<u>\$ 57,889,997</u>	<u>\$ 4,613,355,546</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 debt service portion of 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, 2020**

**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, 2020, \$195,820 of principal and \$22,037 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, 2020, \$15,107 of principal and \$389 of interest are outstanding under this Agreement.

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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, 2020, no amounts were outstanding under this Agreement.

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020 as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 400
Total	\$ 400

The District had a deficit unrestricted net position as of December 31, 2020. 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, LLLP and may have conflicts of interest in dealing with the District.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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.

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. District No. 7 will impose 17.000 mills for operations.

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

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement with the City (Continued)**

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.

**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.

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 9 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)**

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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 389,863	\$ 389,864	\$ 1
Specific Ownership Taxes	35,000	33,627	(1,373)
Net Investment Income	35,000	43,619	8,619
Facilities Fees	1,428,000	732,000	(696,000)
Public Improvements Fees	984,988	496,159	(488,829)
Total Revenues	<u>2,872,851</u>	<u>1,695,269</u>	<u>(1,177,582)</u>
<b>EXPENDITURES</b>			
Debt Service:			
Accounting	10,000	6,350	3,650
County Treasurer's Fees	5,848	5,848	-
Bond Interest - Series 2017A	2,892,794	2,892,794	-
Bond Interest - Series 2017B	1,184,269	-	1,184,269
Paying Agent Fees	5,500	8,500	(3,000)
Total Expenditures	<u>4,098,411</u>	<u>2,913,492</u>	<u>1,184,919</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,225,560)	(1,218,223)	7,337
Fund Balance - Beginning of Year	<u>8,129,854</u>	<u>8,211,108</u>	<u>81,254</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,904,294</u>	<u>\$ 6,992,885</u>	<u>\$ 88,591</u>

**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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ 30,000	\$ 11,669	\$ (18,331)
Total Revenues	<u>30,000</u>	<u>11,669</u>	<u>(18,331)</u>
<b>EXPENDITURES</b>			
Accounting	3,000	5,393	(2,393)
Cost of Issuance	99,500	172,450	(72,950)
Legal	5,000	3,464	1,536
Recognition of Public Improvement Costs	<u>22,521,467</u>	<u>22,208,406</u>	<u>313,061</u>
Total Expenditures	<u>22,628,967</u>	<u>22,389,713</u>	<u>239,254</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(22,598,967)	(22,378,044)	220,923
<b>OTHER FINANCING SOURCES (USES)</b>			
Acceptance of Reimbursable Costs - Public Improvements Reimb. Agreement	22,521,467	22,208,406	(313,061)
Bond Proceeds	9,950,000	17,219,454	7,269,454
Developer Advance	7,306,326	17,857	(7,288,469)
Repay Developer Advance	(8,000)	(2,750)	5,250
Repayment of Developer Advance - Interest	(180,000)	(266,448)	(86,448)
Repayment of Reimbursable Costs - Public Improvements Reimb. Agreement	<u>(22,521,467)</u>	<u>(22,208,406)</u>	<u>313,061</u>
Total Other Financing Sources (Uses)	<u>17,068,326</u>	<u>16,968,113</u>	<u>(100,213)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,530,641)	(5,409,931)	120,710
Fund Balance - Beginning of Year	<u>5,530,641</u>	<u>5,415,147</u>	<u>(115,494)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 5,216</u>	<u>\$ 5,216</u>

## **OTHER INFORMATION**

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY –  
LONG-TERM DEBT  
DECEMBER 31, 2020**

<u>Bonds and Interest Maturing in the Year Ending December 31.</u>	\$47,500,000 General Obligation Refunding Bonds Series 2017A Interest 6.0% - 6.125% Dated May 25, 2017 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
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	\$ 47,500,000	\$ 60,063,484	\$ 107,563,484

**THE CANYONS METROPOLITAN DISTRICT NO. 5**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**AND ASSESSED AND ACTUAL VALUATION OF CLASSES OF PROPERTY OF THE DISTRICT**  
**DECEMBER 31, 2020**

**History of Valuation, Mill Levies and Property Tax Collections for the District**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2014	\$ 250	69.000	\$ 17	\$ 17	100.00 %
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
2020	8,754,870	45.643	399,599	399,599	100.00
Estimated for Year Ending December 31, 2021	\$ 18,434,090	45.643	\$ 841,387		

**NOTE:**

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

**2020 Assessed and "Actual" Valuation of Classes of Property of the District**

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Residential	\$ 1,784,290	9.68%	\$ 24,955,365	30.30%
Commercial	510,790	2.77%	1,761,405	2.14%
Agricultural	8,100	0.04%	27,883	0.03%
Natural Resources	2,250	0.01%	7,765	0.01%
State Assessed	27,200	0.15%	94,000	0.11%
Vacant Land	16,101,460	87.35%	55,522,109	67.41%
	<u>\$ 18,434,090</u>	<u>100.00%</u>	<u>\$ 82,368,527</u>	<u>100.00%</u>

**THE CANYONS METROPOLITAN DISTRICT NO. 5  
SCHEDULE OF LARGEST TAXPAYERS WITHIN THE DISTRICT  
DECEMBER 31, 2020**

**2020 Largest Taxpayers Within the District**

	<u>2020 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Shea Canyons LLC	\$ 8,192,880	44.44%
KB Home Colorado Inc	3,442,790	18.68%
Tri Pointe Homes	1,325,020	7.19%
Inifnity Home Collection at the Canyons LLC	961,060	5.21%
BH Canyons Owner LLC	911,240	4.94%
BH Canyonpoint LLC	373,310	2.03%
Shea Homes	315,580	1.71%
Canyons Owners Association Inc	183,810	1.00%
Individuals	2,728,400	14.80%
Total	<u>\$ 18,434,090</u>	<u>100.00%</u>

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**



**THE CANYONS METROPOLITAN DISTRICT NO. 6  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>27</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND     ACTUAL</b>	<b>28</b>
<b>OTHER INFORMATION</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY – LONG-     TERM DEBT</b>	<b>30</b>
<b>SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>31</b>
<b>SCHEDULE OF LARGEST TAXPAYERS WITHIN THE DISTRICT</b>	<b>32</b>



---

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, 2020, 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](mailto:info@dazziocpa.com)

• 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, 2020, 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.

*Dussio & Associates, P.C.*

April 9, 2021

## **BASIC FINANCIAL STATEMENTS**

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 4,859
Cash and Investments - Restricted	1,724,981
Due from Canyons Metro District No. 5	4,167
Receivable from County Treasurer	827
Property Taxes Receivable	225,707
Total Assets	1,960,541
<b>LIABILITIES</b>	
Accounts Payable	6,282
Accrued Interest Payable	60,229
Noncurrent Liabilities:	
Due in More Than One Year	20,399,494
Total Liabilities	20,466,005
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	225,707
Total Deferred Inflows of Resources	225,707
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	400
Unrestricted	(18,731,571)
Total Net Position	\$ (18,731,171)

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 64,079	\$ -	\$ -	\$ -	\$ (64,079)
Public Works	5,552,101	-	-	-	(5,552,101)
Interest and Related Costs on Long-Term Debt	1,329,881	-	-	307,040	(1,022,841)
Total Governmental Activities	<b>\$ 6,946,061</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 307,040</b>	<b>(6,639,021)</b>
<b>GENERAL REVENUES</b>					
Property Taxes					107,194
Specific Ownership Taxes					9,246
Net Investment Income					13,493
Total General Revenues					129,933
<b>CHANGE IN NET POSITION</b>					(6,509,088)
Net Position - Beginning of Year					(12,222,083)
<b>NET POSITION - END OF YEAR</b>					<b>\$ (18,731,171)</b>

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 4,859	\$ -	\$ -	\$ 4,859
Cash and Investments - Restricted	400	1,717,241	7,340	1,724,981
Due from Canyons Metro District No. 5	-	4,167	-	4,167
Due from Other Funds	32	3,000	-	3,032
Receivable from County Treasurer	76	751	-	827
Property Tax Receivable	20,499	205,208	-	225,707
	<u>\$ 25,866</u>	<u>\$ 1,930,367</u>	<u>\$ 7,340</u>	<u>\$ 1,963,573</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,995	\$ -	\$ 287	\$ 6,282
Due to Other Funds	-	-	3,032	3,032
Total Liabilities	<u>5,995</u>	<u>-</u>	<u>3,319</u>	<u>9,314</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	20,499	205,208	-	225,707
Total Deferred Inflows or Resources	<u>20,499</u>	<u>205,208</u>	<u>-</u>	<u>225,707</u>
<b>FUND BALANCES</b>				
Restricted for:				
Emergency Reserves	400	-	-	400
Debt Service	-	1,725,159	-	1,725,159
Capital Projects	-	-	4,021	4,021
Unassigned	(1,028)	-	-	(1,028)
Total Fund Balances	<u>(628)</u>	<u>1,725,159</u>	<u>4,021</u>	<u>1,728,552</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 25,866</u>	<u>\$ 1,930,367</u>	<u>\$ 7,340</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				(19,094,048)
Developer Advance Payable				(196,664)
Accrued Bond Interest				(1,144,519)
Accrued Interest on Developer Advance				(24,492)
Net Position of Governmental Activities				<u>\$ (18,731,171)</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, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 9,735	\$ 97,459	\$ -	\$ 107,194
Specific Ownership Taxes	845	8,401	-	9,246
Net Investment Income	-	10,810	2,683	13,493
Facilities Fees	-	183,000	-	183,000
Public Improvement Fees	-	124,040	-	124,040
Total Revenues	<u>10,580</u>	<u>423,710</u>	<u>2,683</u>	<u>436,973</u>
<b>EXPENDITURES</b>				
General:				
Accounting	27,018	-	-	27,018
Audit	5,000	-	-	5,000
County Treasurer's Fees	146	1,462	-	1,608
Dues and Licenses	309	-	-	309
Insurance	2,510	-	-	2,510
Election	812	-	-	812
Legal	19,760	-	-	19,760
Miscellaneous	952	-	-	952
Debt Service:				
Accounting	-	1,588	-	1,588
Bond Interest - Series 2017A	-	722,750	-	722,750
Paying Agent Fees	-	8,500	-	8,500
Capital:				
Cost of Issuance	-	-	83,591	83,591
Accounting	-	-	2,336	2,336
Legal	-	-	3,648	3,648
Recognition of Public Improvement Costs	-	-	5,552,101	5,552,101
Total Expenditures	<u>56,507</u>	<u>734,300</u>	<u>5,641,676</u>	<u>6,432,483</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(45,927)	(310,590)	(5,638,993)	(5,995,510)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	52,028	-	12,732	64,760
Acceptance of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	5,552,101	5,552,101
Bond Proceeds	-	-	4,400,363	4,400,363
Repay Developer Advance - Interest	-	-	(67,827)	(67,827)
Repayment of Reimbursable Costs - Public Improvements Reimb. Agreement	-	-	(5,552,101)	(5,552,101)
Total Other Financing Sources	<u>52,028</u>	<u>-</u>	<u>4,345,268</u>	<u>4,397,296</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,101	(310,590)	(1,293,725)	(1,598,214)
Fund Balances - Beginning of Year	<u>(6,729)</u>	<u>2,035,749</u>	<u>1,297,746</u>	<u>3,326,766</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (628)</u>	<u>\$ 1,725,159</u>	<u>\$ 4,021</u>	<u>\$ 1,728,552</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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (1,598,214)

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.

Bond Proceeds	(4,400,363)
Developer Advance	(64,760)
Developer Advance - Interest	(10,545)

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	(430,225)
Amortization of Bond Discount	(4,981)
	(435,206)

Changes in Net Position of Governmental Activities \$ (6,509,088)

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 9,735	\$ 9,735	\$ -
Specific Ownership Taxes	875	845	(30)
Total Revenues	<u>10,610</u>	<u>10,580</u>	<u>(30)</u>
<b>EXPENDITURES</b>			
Accounting	27,500	27,018	482
Audit	5,000	5,000	-
County Treasurer's Fees	146	146	-
Dues and Licenses	500	309	191
Insurance	3,000	2,510	490
Election	2,000	812	1,188
Legal	20,000	19,760	240
Miscellaneous	1,000	952	48
Contingency	1,854	-	1,854
Total Expenditures	<u>61,000</u>	<u>56,507</u>	<u>4,493</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(50,390)	(45,927)	4,463
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	50,390	52,028	1,638
Total Other Financing Sources	<u>50,390</u>	<u>52,028</u>	<u>1,638</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	6,101	6,101
Fund Balance - Beginning of Year	<u>1,000</u>	<u>(6,729)</u>	<u>(7,729)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,000</u>	<u>\$ (628)</u>	<u>\$ (1,628)</u>

See accompanying Notes to Basic Financial Statements.

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, parks 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, 2020**

**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, 2020**

**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.

**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, 2020**

**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, 2020**

**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, 2020. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2021.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 4,859
Cash and Investments - Restricted	<u>1,724,981</u>
Total Cash and Investments	<u><u>\$ 1,729,840</u></u>

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions:	\$ 8,259
Investments	<u>1,721,581</u>
Total Cash and Investments	<u><u>\$ 1,729,840</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, 2020, the District's cash deposits had a bank balance and a carrying balance of \$8,259.

**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, 2020**

**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, 2020, 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>\$ 1,721,581</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, 2020**

**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, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
<b>Governmental Activities:</b>					
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	-
Subordinate Limited Tax GO and Special Revenue Bonds Series 2017B - Interest	654,065	292,085	-	946,150	-
Discount on Series 2017	(108,296)	4,981	-	(103,315)	-
Limited Tax GO and Special Revenue Bonds Series 2016 - Principal	-	4,400,363	-	4,400,363	-
Limited Tax GO and Special Revenue Bonds Series 2016 - Interest	-	138,140	-	138,140	-
Total Bonds Payable	15,342,769	4,835,569	-	20,178,338	-
Developer Advance - Operations - Principal	131,715	52,028	-	183,743	-
Developer Advance - Operations - Interest	13,946	10,171	-	24,117	-
Developer Advance - Capital - Principal	189	12,732	-	12,921	-
Developer Advance - Capital - Interest	1	374	-	375	-
Public Improvement Reimbursement Agreement - Principal	-	5,552,101	5,552,101	-	-
Public Improvement Reimbursement Agreement - Interest	-	67,827	67,827	-	-
Total Developer Advance Payable	145,851	5,695,233	5,619,928	221,156	-
Total	\$ 15,488,620	\$ 10,530,802	\$ 5,619,928	\$ 20,399,494	\$ -

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 CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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 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 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 CANYONS METROPOLITAN DISTRICT NO. 6  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

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

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 722,750	\$ 722,750
2022	-	722,750	722,750
2023	-	722,750	722,750
2024-2028	205,000	3,609,157	3,814,157
2029-2033	1,380,000	3,402,744	4,782,744
2034-2038	2,210,000	2,879,669	5,089,669
2039-2043	3,260,000	2,082,194	5,342,194
2044-2047	4,745,000	849,231	5,594,231
Total	<u>\$ 11,800,000</u>	<u>\$ 14,991,245</u>	<u>\$ 26,791,245</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.

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

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

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 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.

**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 \$17,107,520 and, of such amount, the District has issued \$309,339 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 May 25, 2017 (the "2016 First Supplement") and as further amended by the Second Supplemental Indenture of Trust between the District and the 2016 Trustee dated as of September 29, 2020 (the "2016 Second Supplement" and, as supplemented, the "2016 Indenture").

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2016 Limited Tax General Obligation and Special Revenue Bonds (Continued)**

Proceeds of the Series 2017A Bonds were used to refund the outstanding balance of the Series 2016 Bonds in the principal amount of \$309,339. The 2016 First Supplement decreased the total authorized principal amount of the Series 2016 Bonds from \$17,107,520 to \$2,794,339 based on the then-anticipated residential development within the District. In 2020, the District was advised of changes to the anticipated residential development within the District which allowed the District to increase the amount of the Series 2016 Bonds that can be reasonably expected to be repaid from Pledged Revenue. The District entered into the 2016 Second Supplement to increase the total authorized aggregate principal amount to \$6,911,339 (including the previously issued bonds), to add a discharge provision to occur on December 15, 2067, and to allow additional draws to occur for a three-year period, through September 29, 2023.

The 2016 Indenture and related documents allow for additional draws on the 2016 Bonds of up to \$6,602,000 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. On May 11, 2020, the District issued \$2,485,000 of principal, on September 29, 2020, the District issued \$1,113,000 of principal, and on November 18, 2020, the District issued \$802,363 of principal, which has resulted in an authorized and unissued aggregate principal balance of \$2,201,637. Repayment of the Series 2016 Bonds is fully subordinate and junior to the payment of the 2017A Bonds and the 2017B Bonds.

The Series 2016 Bonds bear an interest rate of 7.00% per annum and are payable annually on December 15, but only to the extent of available Pledged Revenue. The Series 2016 Bonds mature on December 15, 2057. The Series 2016 Bonds are structured as cash flow bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Series 2016 Bonds is payable on each December 15 (if at all) from, and solely to the extent of, Pledged Revenue (if any) remaining after the payment of interest then due on the Series 2016 Bonds on December 15 of the then current year. Unpaid interest on the Series 2016 Bonds compounds annually on each December 15.

In the event that, on December 15, 2067, any amount of principal of or interest on the Series 2016 Bonds remains unpaid after application of all Pledged Revenue available therefor in accordance with the 2016 Indenture, the Series 2016 Bonds and the lien of the 2016 Indenture securing payment thereof is to be deemed discharged.

The Series 2016 Bonds are subject to optional redemption, prior to maturity at the option of the District, on any date upon payment of par and accrued interest, without redemption premium.

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2016 Limited Tax General Obligation and Special Revenue Bonds (Continued)**

The Series 2016 Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, net of any costs of collection, which is defined generally in the 2016 Indenture as the following, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues;
- (c) all Capital Fees;
- (d) all Pledged PIF Revenues;
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2016 Bond Fund; and
- (f) to the extent not included in the foregoing, any other revenues pledged to the payment of Senior Obligations after deduction of any amount applied to the payment of any Senior Obligation Annual Debt Service Requirements.

Property Tax Revenues means all moneys derived from imposition by the District of the 2016 Bond Required Mill Levy and excludes Specific Ownership Tax Revenues. Property Tax Revenues are net of the costs of collection and any tax refunds or abatement authorized by or on behalf of the County.

Pursuant to the 2016 Indenture, the District has covenanted to impose a 2016 Bond Required Mill Levy upon all taxable property of the District in an amount equal to 10 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2009, but in no event in excess of 50 mills (without adjustment)) less the then applicable Senior Required Mill Levy. The Series 2017A Bonds and Series 2017B Bonds constitute Senior Obligations under the 2016 Indenture.

Due to the uncertainty of the timing of the principal and interest payments on the Series 2016 Bonds, a schedule of the timing of these payments is not available.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

At December 31, 2020, 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	\$ 3,004,142	\$ 3,334,765	\$ 319,661,093
Water	100,000,000	226,000,000	315,411	4,636,363	321,048,226
Sanitation	100,000,000	226,000,000	1,140,518	3,258,383	321,601,099
Parks and Recreation	100,000,000	226,000,000	249,631	3,095,489	322,654,880
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>\$ 4,709,702</u>	<u>\$ 14,487,661</u>	<u>\$ 4,670,802,637</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 debt service portion of 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, 2020**

**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, 2020 is \$183,743 of principal and \$24,117 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, 2020 is \$12,921 of principal and \$375 of interest.

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2020**

**NOTE 4 LONG-TERM OBLIGATIONS (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 and September 30, 2020, 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, 2020, no amounts were outstanding under this Agreement.

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020 as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 400
Total	\$ 400

The District had a deficit unrestricted net position as of December 31, 2020. 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.

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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.

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

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement with the City (Continued)**

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.

**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.

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 9 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)**

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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 97,459	\$ 97,459	\$ -
Specific Ownership Taxes	8,700	8,401	(299)
Net Investment Income	10,000	10,810	810
Facilities Fees	357,000	183,000	(174,000)
Public Improvement Fees	246,247	124,040	(122,207)
Total Revenues	<u>719,406</u>	<u>423,710</u>	<u>(295,696)</u>
<b>EXPENDITURES</b>			
Accounting	5,000	1,588	3,412
County Treasurer's Fees	1,462	1,462	-
Bond Interest - Series 2017A	722,750	722,750	-
Bond Interest - Series 2017B	268,869	-	268,869
Paying Agent Fees	5,500	8,500	(3,000)
Total Expenditures	<u>1,003,581</u>	<u>734,300</u>	<u>269,281</u>
<b>NET CHANGE IN FUND BALANCE</b>	(284,175)	(310,590)	(26,415)
Fund Balance - Beginning of Year	<u>2,011,906</u>	<u>2,035,749</u>	<u>23,843</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,727,731</u>	<u>\$ 1,725,159</u>	<u>\$ (2,572)</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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ 15,000	\$ 2,683	\$ (12,317)
Total Revenues	<u>15,000</u>	<u>2,683</u>	<u>(12,317)</u>
<b>EXPENDITURES</b>			
Accounting	3,000	2,336	664
Cost of Issuance	24,850	83,591	(58,741)
Legal Services	3,000	3,648	(648)
Recognition of Public Improvement Costs	5,630,367	5,552,101	78,266
Total Expenditures	<u>5,661,217</u>	<u>5,641,676</u>	<u>19,541</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,646,217)	(5,638,993)	7,224
<b>OTHER FINANCING SOURCES (USES)</b>			
Acceptance of Reimbursable Costs	5,630,367	5,552,101	(78,266)
Bond Proceeds	2,485,000	4,400,363	1,915,363
Developer Advance	1,890,430	12,732	(1,877,698)
Repay Developer Advance	(10,000)	-	10,000
Repay Developer Advance Interest	(25,000)	(67,827)	(42,827)
Repayment of Reimbursable Costs	(5,630,367)	(5,552,101)	78,266
Total Other Financing Sources	<u>4,340,430</u>	<u>4,345,268</u>	<u>4,838</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,305,787)	(1,293,725)	12,062
Fund Balance - Beginning of Year	<u>1,305,787</u>	<u>1,297,746</u>	<u>(8,041)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 4,021</u>	<u>\$ 4,021</u>



## **OTHER INFORMATION**

**THE CANYONS METROPOLITAN DISTRICT NO. 6**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY – LONG-TERM DEBT**  
**DECEMBER 31, 2020**

Bonds and Interest Maturing in the Year Ending December 31,	\$11,800,000 General Obligation Refunding Bonds Series 2017A Interest 6.125% Dated May 25, 2017 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
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	\$ 14,991,245	\$ 26,791,245

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED  
AND ASSESSED AND ACTUAL VALUATION OF CLASSES OF PROPERTY OF THE DISTRICT  
YEAR ENDED DECEMBER 31, 2020**

**Summary of Assessed Valuation, Mill Levy and Property Taxes Collected**

Year Ended <u>December 31,</u>	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
2020	8,754,860	12.244	107,194	107,194	100.00
Estimated for Year Ending December 31, 2021	\$ 18,434,080	12.244	\$ 225,707		

**NOTE:**

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

**2020 Assessed and "Actual" Valuation of Classes of Property of the District**

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Residential	\$ 1,784,290	9.68%	\$ 24,955,365	30.30%
Commercial	510,790	2.77%	1,761,405	2.14%
Agricultural	8,090	0.04%	27,849	0.03%
Natural Resources	2,250	0.01%	7,765	0.01%
State Assessed	27,200	0.15%	94,000	0.11%
Vacant Land	16,101,460	87.35%	55,522,109	67.41%
Total	<u>\$ 18,434,080</u>	<u>100.00%</u>	<u>\$ 82,368,493</u>	<u>100.00%</u>

**THE CANYONS METROPOLITAN DISTRICT NO. 6  
SCHEDULE OF LARGEST TAXPAYERS WITHIN THE DISTRICT  
YEAR ENDED DECEMBER 31, 2020**

2020 Largest Taxpayers Within the District

	<u>2020 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Shea Canyons LLC	\$ 8,192,880	44.44%
KB Home Colorado Inc	3,442,790	18.68%
Tri Pointe Homes	1,325,020	7.19%
Infinity Home Collection at the Canyons LLC	961,060	5.21%
BH Canyons Owner LLC	911,240	4.94%
BH Canyonpoint LLC	373,310	2.03%
Shea Homes	315,580	1.71%
Canyons Owners Association Inc	183,810	1.00%
Individuals	2,728,390	14.80%
Total	<u>\$ 18,434,080</u>	<u>100.00%</u>