

THE CANYONS METROPOLITAN DISTRICT NO. 7

2016 ANNUAL REPORT TO THE CITY OF CASTLE PINES

Pursuant to the Amended and Restated Service Plan for The Canyons Metropolitan District Nos. 2-4 and Consolidated Service Plan for The Canyons Metropolitan District Nos. 5-11 (as amended), The Canyons Metropolitan District No. 7 is required to provide an annual report to the City of Castle Pines with regard to the matters below. Please note that the District declared inactive status on June 3, 2016 and returned to active status on November 14, 2016.

For the year ending December 31, 2016, the District makes the following report:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year:

There were no boundary changes made to the District in 2016.

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

The District did not enter into any Intergovernmental Agreements in 2016.

3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year:

As of December 31, 2016, the District had not yet adopted rules and regulations.

4. A summary of any litigation which involves the District's Public Improvements as of December 31 of the prior year:

To our actual knowledge, based on review of the court records in Douglas County, there is no litigation involving the District as of December 31, 2016.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year:

As of December 31, 2016, the District had not yet constructed any Public Improvements.

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

No facilities or improvements were constructed by the District that were dedicated

to and accepted by the City of Castle Pines in 2016.

7. The assessed valuation of the District for the current year:

The current assessed valuation of the District is attached hereto as **Exhibit A**.

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

The 2017 budget for the District is attached hereto as **Exhibit B**. In 2017, the District anticipates construction of the following public improvements:

- a. Off-site sanitary and water lines connecting to Parker Water and Sanitation District from Motsenbocker Road to Lemon Gulch Road
- b. Off-site force sewer line connecting to Parker Water and Sanitation District
- c. 32' wide timber vehicular bridge

9. Audit of the District's 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 approved 2016 audit exemption application is attached hereto as **Exhibit C**.

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

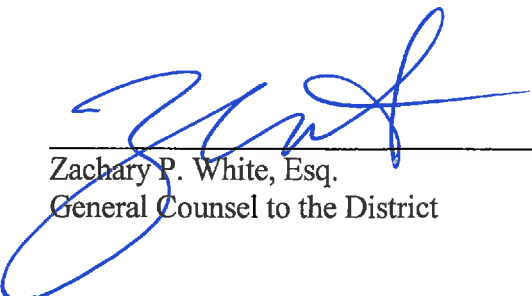
There are no uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

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

The District has been able to pay its obligations as they come due.

Respectfully submitted this 16th day of July, 2017.

THE CANYONS METROPOLITAN DISTRICT
NO. 7



Zachary P. White, Esq.
General Counsel to the District

EXHIBIT A
2016 Assessed Valuation

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4526 - Canyons Metro District 7

New Entity: No

IN DOUGLAS COUNTY ON 11/21/2016

| |
|--|
| USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY |
|--|

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2016 IN DOUGLAS COUNTY, COLORADO

| | |
|--|----------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$270 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: * | \$11,070 |
| 3. LESS TIF DISTRICT INCREMENT, IF ANY: | \$0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$11,070 |
| 5. NEW CONSTRUCTION: ** | \$0 |
| 6. INCREASED PRODUCTION OF PRODUCING MINES: # | \$0 |
| 7. ANNEXATIONS/INCLUSIONS: | \$11,070 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: # | \$0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ## | \$0 |
| 10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.): | \$0.00 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

| |
|---|
| USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY |
|---|

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2016 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2016

| | |
|--|----------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @ | \$38,151 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: ! | \$0 |
| 3. ANNEXATIONS/INCLUSIONS: | \$38,151 |
| 4. INCREASED MINING PRODUCTION: % | \$0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | \$0 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | \$0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.) | \$0 |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | \$0 |
| 9. DISCONNECTIONS/EXCLUSION: | \$937 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | \$0 |

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2016

Data Date: 11/21/2016

EXHIBIT B
2017 Budget



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
The Canyons Metropolitan District No. 7
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of The Canyons Metropolitan District No. 7 for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

We are not independent with respect to The Canyons Metropolitan District No. 7.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 20, 2017

THE CANYONS METROPOLITAN DISTRICT NO. 7
SUMMARY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/20/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|---|----------------|-------------------|-----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| 1 Property taxes | - | - | 188 |
| 2 Specific ownership taxes | - | - | 20 |
| 3 Developer advance | - | 2,230,000 | 21,550,000 |
| Total revenues | - | 2,230,000 | 21,550,208 |
| Total funds available | - | 2,230,000 | 21,550,208 |
| EXPENDITURES | | | |
| 4 General and administration | | | |
| 5 Accounting | - | 5,000 | 18,000 |
| 6 Contingency | - | 3,000 | 4,500 |
| 7 County Treasurer's fees | - | - | 3 |
| 8 Dues and membership | - | - | 500 |
| 9 Insurance | - | 2,000 | 2,000 |
| 10 Legal | - | 20,000 | 25,000 |
| 11 Capital projects | | | |
| 12 Capital outlay | - | 2,200,000 | 21,500,000 |
| Total expenditures | - | 2,230,000 | 21,550,003 |
| Total expenditures and transfers out requiring appropriation | - | 2,230,000 | 21,550,003 |
| ENDING FUND BALANCES | \$ - | \$ - | \$ 205 |
| EMERGENCY RESERVE | \$ - | \$ - | \$ 100 |
| TOTAL RESERVE | \$ - | \$ - | \$ 100 |

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. 7
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/20/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|-------------------------------------|----------------|-------------------|------------------|
| ASSESSED VALUATION - DOUGLAS | | | |
| Agricultural | \$ - | \$ - | \$ 11,070 |
| Vacant Land | 270 | 270 | - |
| Certified Assessed Value | <u>\$ 270</u> | <u>\$ 270</u> | <u>\$ 11,070</u> |
| MILL LEVY | | | |
| GENERAL FUND | - | - | 17.000 |
| Total Mill Levy | <u>-</u> | <u>-</u> | <u>17.000</u> |
| PROPERTY TAXES | | | |
| GENERAL FUND | \$ - | \$ - | \$ 188 |
| Budgeted Property Taxes | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 188</u> |
| BUDGETED PROPERTY TAXES | | | |
| GENERAL FUND | \$ - | \$ - | \$ 188 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 188</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. 7
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/20/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|---|----------------|-------------------|-----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| 1 Property taxes | - | - | 188 |
| 2 Specific ownership taxes | - | - | 20 |
| 3 Developer advance | - | 30,000 | 50,000 |
| Total revenues | - | 30,000 | 50,208 |
| Total funds available | - | 30,000 | 50,208 |
| EXPENDITURES | | | |
| General and administration | | | |
| 4 Accounting | - | 5,000 | 18,000 |
| 5 Contingency | - | 3,000 | 4,500 |
| 6 County Treasurer's fees | - | - | 3 |
| 7 Dues and membership | - | - | 500 |
| 8 Insurance | - | 2,000 | 2,000 |
| 9 Legal | - | 20,000 | 25,000 |
| Total expenditures | - | 30,000 | 50,003 |
| Total expenditures and transfers out requiring appropriation | - | 30,000 | 50,003 |
| ENDING FUND BALANCES | \$ - | \$ - | \$ 205 |
| EMERGENCY RESERVE | \$ - | \$ - | \$ 100 |
| TOTAL RESERVE | \$ - | \$ - | \$ 100 |

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. 7
CAPITAL PROJECTS FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/20/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|---|----------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| 1 Developer advance | - | 2,200,000 | 21,500,000 |
| Total revenues | <u>-</u> | <u>2,200,000</u> | <u>21,500,000</u> |
| Total funds available | <u>-</u> | <u>2,200,000</u> | <u>21,500,000</u> |
| EXPENDITURES | | | |
| Capital projects | | | |
| 2 Capital outlay | - | 2,200,000 | 21,500,000 |
| Total expenditures | <u>-</u> | <u>2,200,000</u> | <u>21,500,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>2,200,000</u> | <u>21,500,000</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

THE CANYONS METROPOLITAN DISTRICT NO. 7
2017 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 - 6 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 are outlined in the Master Reimbursement Agreement executed December 29, 2015 by the District and District Nos. 5 and 6.

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

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

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

The District 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.

THE CANYONS METROPOLITAN DISTRICT NO. 7
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

Developer Advances

The District is in the development stage. As such, the operating, administrative and capital expenditures for 2017 are to be funded by others. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse others from bond proceeds and other available revenue.

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 page 3 of the Budget and is pursuant to the Master Reimbursement Agreement. Collectively, Districts Nos. 5, 6, and 7 levy 69.000 mills. The total adopted mill levy is 17.000 mills for operations.

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing with the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

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.

Capital Outlay

The District anticipates capital expenditures as noted on page 5 of the budget. The District will own, operate and maintain all District eligible public improvements within its boundaries that are not dedicated to any other public entity. District Nos. 5 and 6 will finance the cost of such improvements.

**THE CANYONS METROPOLITAN DISTRICT NO. 7
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has no outstanding debt, nor any 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 for 2017, as defined under TABOR.

This information is an integral part of the accompanying budget.

EXHIBIT C
2016 Audit Exemption Application

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

| | | |
|--------------------|---|---|
| NAME OF GOVERNMENT | The Canyons Metropolitan District No. 7 | For the Year Ended 12/31/16 or fiscal year ended: |
| ADDRESS | 8390 E Crescent Parkway Suite 500 Greenwood Village, CO 80111 | |
| CONTACT PERSON | Kevin Collins | |
| PHONE | 303-779-5710 | |
| EMAIL | Kevin.Collins@claconnect.com | |
| FAX | 303-779-0348 | |

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: | Kevin Collins |
| TITLE | Accountant for the District |
| FIRM NAME (if applicable) | CliftonLarsonAllen LLP |
| ADDRESS | 8390 E Crescent Parkway Suite 500 Greenwood Village, CO 80111 |
| PHONE | 303-779-5710 |
| DATE PREPARED (Must be prepared prior to Board approval) | February 10, 2017 |

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) |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line# | Description | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|---|-------------------------|---|
| 2-1 | Ta Property | \$ - | |
| 2-2 | Specific ownership | \$ - | |
| 2-3 | Sales and use | \$ - | |
| 2-4 | Other (specify): | \$ - | |
| 2-5 | Licenses and permits | \$ - | |
| 2-6 | Intergovernmental Grants | \$ - | |
| 2-7 | Conservation Trust Funds (Lottery) | \$ - | |
| 2-8 | Highway Users Tax Funds (HUTF) | \$ - | |
| 2-9 | Other (specify): | \$ - | |
| 2-10 | Charges for services | \$ - | |
| 2-11 | Fines and forfeits | \$ - | |
| 2-12 | Special assessments | \$ - | |
| 2-13 | Investment income | \$ - | |
| 2-14 | Charges for utility services | \$ - | |
| 2-15 | Debt proceeds (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

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line# | Description | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|--|-------------------------|---|
| 3-1 | Administrative | \$ - | |
| 3-2 | Salaries | \$ - | |
| 3-3 | Payroll taxes | \$ - | |
| 3-4 | Contract services | \$ - | |
| 3-5 | Employee benefits | \$ - | |
| 3-6 | Insurance | \$ - | |
| 3-7 | Accounting and legal fees | \$ - | |
| 3-8 | Repair and maintenance | \$ - | |
| 3-9 | Supplies | \$ - | |
| 3-10 | Utilities and telephone | \$ - | |
| 3-11 | Fire/Police | \$ - | |
| 3-12 | Streets and highways | \$ - | |
| 3-13 | Public health | \$ - | |
| 3-14 | Culture and recreation | \$ - | |
| 3-15 | Utility operations | \$ - | |
| 3-16 | Capital outlay | \$ - | |
| 3-17 | Debt service principal (should agree with Part 4) | \$ - | |
| 3-18 | Debt service interest | \$ - | |
| 3-19 | Repayment of Developer Advance Principal (should agree with line 4-4) | \$ - | |
| 3-20 | Repayment of Developer Advance Interest | \$ - | |
| 3-21 | Contribution to pension plan (should agree to line 7-2) | \$ - | |
| 3-22 | Contribution to Fire & Police Pension Assoc. (should agree to line 7-2) | \$ - | |
| 3-23 | Other (specify): | \$ - | |
| 3-24 | | \$ - | |
| 3-25 | | \$ - | |
| 3-26 | (add lines 3-1 through 3-24) TOTAL EXPENDITURES | \$ - | |

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: N/A. The District has no outstanding debt. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain: N/A. The District has no outstanding debt. | <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 |
| | | Retired during year | Outstanding at year-end |
| | General obligation bonds | \$ - | \$ - |
| | Revenue bonds | \$ - | \$ - |
| | Notes/Loans | \$ - | \$ - |
| | Leases | \$ - | \$ - |
| | Developer Advances | \$ - | \$ - |
| | Other (specify): | \$ - | \$ - |
| | TOTAL | \$ - | \$ - |

| | | Yes | No |
|---------|--|-------------------------------------|-------------------------------------|
| 4-5 | Does the entity have any authorized, but unissued, debt? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| If yes: | How much? | \$ 2,988,000,000.00 | |
| | Date the debt was authorized: | 11/04/2014 | |
| 4-6 | Does the entity intend to issue debt within the next calendar year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | How much? | \$ - | |
| 4-7 | Does the entity have debt that has been refinanced that it is still responsible for? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | What is the amount outstanding? | \$ - | |
| 4-8 | Does the entity have any lease agreements? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input type="checkbox"/> |
| | What are the annual lease payments? | \$ - | |
| 4-9 | Does the entity have a certified Mill Levy? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Please provide the following mills levied for the year reported: | | |
| | Bond Redemption | | - |
| | General/Other | | - |
| | TOTAL | | - |

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

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

| | | Amount | Total |
|-----|---|--------|-------------|
| 5-1 | YEAR-END Total of ALL Checking and Savings Accounts | \$ - | |
| 5-2 | Certificates of deposit | \$ - | |
| | Total Cash Deposits | | \$ - |
| | Investments (if investment is a mutual fund, please list underlying investments): | | |
| 5-3 | | \$ - | |
| | | \$ - | |
| | | \$ - | |
| | | \$ - | |
| | Total Investments | | \$ - |
| | Total Cash and Investments | | \$ - |

Please answer the following questions by marking in the appropriate boxes

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

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

PART 6 - CAPITAL ASSETS

| Please answer the following questions by marking in the appropriate boxes. | | | | | Yes | No | |
|--|--|---------------------------------|--|-------------|--------------------------|-------------------------------------|--|
| 6-1 | Does the entity have capital assets? | | | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 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: | | | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| N/A. The District has no capital assets. | | | | | | | |
| 6-3 | 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 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Construction In Progress (CIP) | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Other (explain): | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Accumulated Depreciation (Please enter a negative, or credit, balance) | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Please use this space to provide any explanations or comments: | | | | | | | |

PART 7 - PENSION INFORMATION

| Please answer the following questions by marking in the appropriate boxes. | | | | | Yes | No |
|--|---|-------------|--|--|--------------------------|-------------------------------------|
| 7-1 | Does the entity have an "old hire" firemen's pension plan? | | | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7-2 | Does the entity have a volunteer firemen's pension plan? | | | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Who administers the plan? | | | | | |
| | Indicate the contributions from: | | | | | |
| | Tax (property, SO, sales, etc.): | \$ - | | | | |
| | State contribution amount: | \$ - | | | | |
| | Other (gifts, donations, etc.): | \$ - | | | | |
| | TOTAL | \$ - | | | | |
| | What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? | \$ - | | | | |
| 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.? If no, MUST explain: | | | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| If yes: | Please indicate the amount appropriated for each fund for the year reported: | | | | | |
| | Fund Name | Budgeted Expenditures | | | | |
| | General Fund | \$ | 30,000 | | | |
| | Capital Projects Fund | \$ | 2,200,000 | | | |
| | | | | | | |
| | | | | | | |

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:

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

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 Districts #1 - #6 and #8 - #11.

10-5

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.]



If yes:

Date Filed:

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board 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 \$100,000 or less must have an application prepared by a person skilled in governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

| | Print the names of ALL current governing board members below. | A MAJORITY of the governing board members must complete and sign in the column below. |
|-------------------|---|--|
| Board Member 1 | Print Board Member's Name Jeff Kappes | I Jeff Kappes, 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: <u>[Signature]</u> Date: <u>2/13/17</u> My term Expires: May 2018 |
| Board Member 2 | Print Board Member's Name Skyler Hager | I Skyler Hager, 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: <u>[Signature]</u> Date: <u>2/13/17</u> My term Expires: May 2020 |
| Board Member 3 | Print Board Member's Name Scott Custer | I Scott Custer, 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: <u>[Signature]</u> Date: <u>2-13-17</u> My term Expires: May 2020 |
| Board Member 4 | Print Board Member's Name Teresa Kershnik | I Teresa Kershnik, 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: <u>[Signature]</u> Date: <u>2/13/17</u> My term Expires: May 2020 |
| Board Member 5 | Print Board Member's Name Brad Wilkin | I Brad Wilkin, 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: <u>[Signature]</u> Date: <u>2/13/17</u> My term Expires: May 2018 |
| Board Member 6 | Print Board Member's Name | 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 | Print Board Member's Name | 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. 7
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Canyons Metropolitan District No. 7 as of and for the year ended December 31, 2016, 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. 7.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 10, 2017