

THE CANYONS METROPOLITAN DISTRICT NOS. 1-5

2025 CONSOLIDATED ANNUAL REPORT

THE CANYONS METROPOLITAN DISTRICT NOS. 1-5
2025 CONSOLIDATED ANNUAL REPORT
TO
THE CITY OF CASTLE PINES

Pursuant to § 32-1-207(3)(c), C.R.S., and 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 No. 5, as amended, (The Canyons Metropolitan District Nos. 1-5 are referred to individually as “District No. 1”, “District No. 2”, “District No. 3”, “District No. 4”, “District No. 5”, and collectively, as the “**Districts**”), the Districts are required to provide an annual report to the City of Castle Pines (the “**City**”). The report is to include information concerning matters which occurred during the prior fiscal year.

For the year ending December 31, 2025, the Districts make the following report:

Service Plan Requirements

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

No boundary changes were made or proposed to the Districts' boundaries in 2025.

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

District Nos. 1, 2, 4, and 5 did not enter into or propose any new intergovernmental agreements in 2025.

District No. 3 entered into the following intergovernmental agreements in 2025.

Water and Sewer Main Improvement Agreement for Canyonside Filing No. 4 between District No. 3 and The Parker Water and Sanitation District (“PWSD”), dated 2025.

Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 1 and Phase 2 Project Improvements) between District No. 3, the City, and Firstbank Escrow Services, LLC, dated July 23, 2025

Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 3 Project Improvements) between District No. 3, the City, and Firstbank Escrow Services, LLC, dated October 28, 2025

Amendment to Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 3 Project Improvements) between District No. 3, the City, and 1031 Escrow Services, LLC, dated March 27, 2026

Amendment to Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 3 Project Improvements) between District No. 3, the City, and 1031 Escrow Services, LLC, dated March 27, 2026

Project SIA between North Canyons Development Company, LLC, the District, and the City, dated June 5, 2025

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

As of December 31, 2025, the Districts had not 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, 2025.

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

District Nos. 1, 2, and 4 did not construct any public improvements in 2025.

District No. 3 constructed the following improvements in 2025: construction on the Filing 4 work, which involved the relocation of Havana Street, street work along Castle Pines Parkway, and other water/sewer/drainage infrastructure. This work is expected to be completed in the Fall of 2026. The traffic signals at Castle Pines Parkway/Havana St, and also at Castle Pines Parkway/Canyonside Blvd are under construction as well.

The public improvements serving and benefitting property within District No. 5 are being constructed by Shea Canyons, LLC (“Shea”).

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.

District Nos. 1, 2 and 4 did not construct any facilities or improvements dedicated to or accepted by the City in 2025.

District No. 3 reviewed and accepted the public improvements related to Canyon Forge Drive in Filing 2, which included the City Final acceptance of the Canyonside Filing 2 infrastructure, as well as the PWSD Final Acceptance of water/sewer infrastructure.

The public improvements serving and benefitting property within District No. 5 are being constructed by Shea. The public improvements constructed by Shea and dedicated and accepted by the City in 2025 are as follows: Filing 3; Filing 3-1st Amendment; Filing 3 - 2nd Amendment; and Filing 3 – 3rd Amendment.

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

The assessed valuations for the Districts are as follows:

• District No. 1	\$ 40
• District No. 2	\$ 1,437,180
• District No. 3	\$ 9,359,500
• District No. 4	\$ 54,360
• District No. 5	\$ 95,593,700

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

The 2026 budgets for District Nos. 1-5 are attached hereto as **Exhibit A**.

District No. 3 anticipates constructing the following Public Improvements in 2026 including, but not limited to: grading, erosion and sediment control, sewer and water mains, storm drainage infrastructure, sidewalks and roadways, traffic signals, retaining walls, and trails, specifically within Filing 4 (phases 1 and 2) and the expansion of Castle Pines Parkway.

Other work being performed by Richmond American Homes within the District No. 3 boundary is also currently underway, including the grading, water/sewer/drainage infrastructure, retaining walls, and detention ponds.

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 2025 Applications for Audit Exemption for District Nos. 1, 2, and 4 are attached hereto as **Exhibit B**. The 2025 Audits for District Nos. 3 and 5 are not yet completed and will be provided as a supplement to this report upon completion.

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

To our actual knowledge, the Districts did not receive notice of any uncured events of default by the Districts, which continued 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.

To our actual knowledge, there was not any inability of the Districts to pay their obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

C.R.S. § 32-1-207(3) Statutory Requirements

1. Boundary changes made.

The Districts' did not change their boundaries in 2025.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

District Nos. 1, 2, 4, and 5 did not enter into new intergovernmental agreements in 2025.

District No. 3 entered into the following intergovernmental agreements in 2025.

Water and Sewer Main Improvement Agreement for Canyonside Filing No. 4 between District No. 3 and The Parker Water and Sanitation District, dated 2025

Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 1 and Phase 2 Project Improvements) between District No. 3, the City, and Firstbank Escrow Services, LLC, dated July 23, 2025

Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 3 Project Improvements) between District No. 3, the City, and Firstbank Escrow Services, LLC, dated October 28, 2025

Amendment to Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 3 Project Improvements) between District No. 3, the City, and 1031 Escrow Services, LLC, dated March 27, 2026

Amendment to Escrow Agreement (District Funds – Canyonside Flg. No. 4, Phase 3 Project Improvements) between District No. 3, the City, and 1031 Escrow Services, LLC, dated March 27, 2026

Project SIA between North Canyons Development Company, LLC, the District, and the City, dated June 5, 2025

District Nos. 1, 2, 3 and 5 did not terminate any intergovernmental agreements in 2025. District No. 4 terminated the City Operations Mill Levy Pledge Agreement Between the City and District No. 4 on November 11, 2025.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2025, the Districts had not adopted rules and regulations.

4. A summary of litigation involving Public Improvements owned by the Districts.

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, 2025.

5. The status of the construction of Public Improvements by the Districts.

District Nos. 1, 2, and 4 did not construct any public improvements in 2025.

District No. 3 constructed the following improvements in 2025: construction on the Filing 4 work, which involved the relocation of Havana Street, street work along Castle Pines Parkway, and other water/sewer/drainage infrastructure. This work is expected to be completed in the Fall of 2026. The traffic signals at Castle Pines Parkway/Havana St, and also at Castle Pines Parkway/Canyonside Blvd are under construction as well.

The Public Improvements serving and benefitting property within District No. 5 are being constructed by Shea Canyons, LLC ("Shea").

6. A list of facilities or improvements constructed by the Districts that were conveyed or dedicated to the county or municipality.

District Nos. 1, 2 and 4 did not construct any facilities or improvements dedicated to or accepted by the City in 2025.

District No. 3 reviewed and accepted the public improvements related to Canyon Forge Drive in Filing 2, which included the City Final acceptance of the Canyonside Filing 2 infrastructure, as well as the PWSD Final Acceptance of water/sewer infrastructure.

The public improvements serving and benefitting property within District No. 5 are being constructed by Shea. The public improvements constructed by Shea and dedicated and accepted by the City in 2025 are as follows: Filing 3; Filing 3-1st Amendment; Filing 3 - 2nd Amendment; and Filing 3 – 3rd Amendment.

7. The final assessed valuation of the Districts as of December 31st of the reporting year.

The assessed valuations for the Districts are as follows:

• District No. 1	\$ 40
• District No. 2	\$ 1,437,180
• District No. 3	\$ 9,359,500
• District No. 4	\$ 54,360
• District No. 5	\$ 95,593,700

8. A copy of the current year's budget.

The 2026 budgets for District Nos. 1-5 are attached hereto as **Exhibit A**.

9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2025 Applications for Audit Exemption for District Nos. 1, 2, and 4 are attached hereto as **Exhibit B**. The 2025 Audits for District Nos. 3 and 5 are not yet completed and will be provided as a supplement to this report upon completion.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the Districts.

To our actual knowledge, the Districts did not receive notice of any uncured events of default by the Districts, which continued beyond a ninety (90) day period, under any debt instrument.

11. Any inability of the Districts to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, there was not any inability of the Districts to pay their obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

EXHIBIT A
2026 Budgets

THE CANYONS METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**CANYONS METROPOLITAN DISTRICT NO.1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 4,869	\$ 66,110	\$ 83,992
REVENUES			
Public Improvement Fees	-	328,125	899,938
Interest Income	2,448	2,767	3,000
Developer advance	10,523	-	-
Transfers from District No. 2	100,835	99,472	112,901
Transfers from District No. 4	2,431	2,416	3,976
Total revenues	116,237	432,780	1,019,815
Total funds available	121,106	498,890	1,103,807
EXPENDITURES			
General and administrative			
Accounting	24,604	20,000	26,250
Dues and Membership	1,370	1,375	2,400
Insurance	14,335	14,598	16,100
Legal	13,420	40,000	30,000
Miscellaneous	1,200	-	1,200
Election	67	10,000	-
Website	-	800	1,000
Transfer to District No. 3 - PIF	-	328,125	899,938
Total expenditures	54,996	414,898	976,888
Total expenditures and transfers out requiring appropriation	54,996	414,898	976,888
ENDING FUND BALANCES	\$ 66,110	\$ 83,992	\$ 126,919
EMERGENCY RESERVE	\$ 3,200	\$ 3,200	\$ 3,600
AVAILABLE FOR OPERATIONS	62,910	80,792	123,319
TOTAL RESERVE	\$ 66,110	\$ 83,992	\$ 126,919

See summary of significant assumptions.

CANYONS METROPOLITAN DISTRICT NO.1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Agricultural

\$	40	\$	40	\$	40
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Certified Assessed Value

\$	40	\$	40	\$	40
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MILL LEVY

General

0.000	0.000	0.000
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Total mill levy

0.000	0.000	0.000
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PROPERTY TAXES

Budgeted property taxes

\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

General

\$	-	\$	-	\$	-
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\$	-	\$	-	\$	-
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THE CANYONS METROPOLITAN DISTRICT NO. 1
2026 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. Pursuant to Colorado State Law, electoral authorization older than 20 years is considered stale with respect to unissued debt.

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 CANYONS METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided – (continued)

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.

Revenues

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

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 – 2, 4 and 8 - 11.

Public Improvement Fees (PIF)

The Master Developer has imposed a Public Improvement Fee ("PIF") through the Declaration of Covenants Imposing and Implementing The Canyonside at Castle Pines Public Improvements Fee ("PIF Covenant"). 100% of the PIF is collected by the District and pledged to the payment of the 2021 Bonds issued by Canyons Metropolitan District No. 3. The PIF is due prior to obtaining a building permit.

The PIF Covenant imposes a Credit PIF on Credit PIF Construction Activities and a Credit PIF on Credit PIF Retail Sales of 1.375% in lieu of a portion of the City's Sales Tax. The Credit PIF on Credit PIF Construction Activities expires in 2034 and Credit PIF on Credit PIF Retail Sales expires in 2044. The District's Credit PIF on Credit PIF Construction Activities expires on residential units after 500 units are constructed in the District and the Excluded Property and has no expiration on the commercial development in the District and the Excluded Property.

Additionally, the PIF Covenant imposes a 3% Add-on PIF imposed on Add-On PIF Retail Sales transactions in the Excluded Property. The Add-On PIF is not in lieu of any portion of the City's sales tax and is therefore in addition to sales taxes.

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.

**THE CANYONS METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Transfers to District No. 3

The District collects Public Improvement Fees which is transferred over to District No. 3 as Pledged Revenue towards the 2021 Bonds issued by District No. 3.

Debt and Leases

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

THE CANYONS METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

THE CANYONS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	93,009	93,734	106,511
Specific ownership taxes	6,967	7,144	7,988
Other Revenue	2,289	-	-
Total revenues	102,265	100,878	114,499
Total funds available	102,265	100,878	114,499
EXPENDITURES			
General and administrative			
County Treasurer's Fee	1,429	1,406	1,598
Transfers to Canyons MD No. 1	100,836	99,472	112,901
Total expenditures	102,265	100,878	114,499
Total expenditures and transfers out requiring appropriation	102,265	100,878	114,499
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Agricultural	\$ 3,810	\$ 3,810	\$ 8,670
State assessed	72,900	83,900	81,800
Personal property	1,219,900	1,219,000	1,346,700
Natural Resources	10	10	10
Certified Assessed Value	<u>\$ 1,296,620</u>	<u>\$ 1,306,720</u>	<u>\$ 1,437,180</u>

MILL LEVY

General	71.732	71.732	74.111
Total mill levy	<u>71.732</u>	<u>71.732</u>	<u>74.111</u>

PROPERTY TAXES

General	\$ 93,009	\$ 93,734	\$ 106,511
Budgeted property taxes	<u>\$ 93,009</u>	<u>\$ 93,734</u>	<u>\$ 106,511</u>

BUDGETED PROPERTY TAXES

General	\$ 93,009	\$ 93,734	\$ 106,511
	<u>\$ 93,009</u>	<u>\$ 93,734</u>	<u>\$ 106,511</u>

THE CANYONS METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized to provide financing for the design, acquisition, installation and construction of storm and sanitary sewers, water systems, streets, parks and recreation facilities, transportation systems, television relay and translator facilities, security, mosquito control and fire protection and operation and maintenance of the District. The District's service area is located in the City of Castle Pines in Douglas County, Colorado and the District operates in connection with District Nos. 1, 3, 4 and 8 - 11.

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

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

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

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

The 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
2026 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, sale 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 maximum mill levy for operations is 69.000 mills and the District has imposed the maximum mill levy as adjusted for changes in the method of calculating assessed value.

For property tax collection year 2026, HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.25%		Agricultural Land	27.00%		Single-Family Residential	\$55,000
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%		Multi-Family Residential	\$55,000
Commercial	27.00%		Vacant Land	27.00%		Commercial	\$30,000
Industrial	27.00%		Personal Property	27.00%		Industrial	\$30,000
Lodging	27.00%		State Assessed	27.00%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 7.5% of the property taxes collected by the General Fund.

**THE CANYONS METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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, 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, 2026

THE CANYONS METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 21,777,698	\$ 19,943,749	\$ 11,250,832
REVENUES			
Property taxes	267,560	582,123	571,229
Specific ownership taxes	20,041	44,372	42,842
Interest Income	1,051,784	453,330	31,075
Developer advance	2,631,840	1,870,294	-
Facilities fees	-	-	1,348,000
Reimbursed expenditures	-	1,352,594	-
Transfers from District #1 - PIF	-	328,125	899,938
Other Revenue	681	-	-
City Contrubution	-	-	500,000
Total revenues	3,971,906	4,630,838	3,393,084
Total funds available	25,749,604	24,574,587	14,643,916
EXPENDITURES			
General Fund	64,295	73,108	72,248
Debt Service Fund	242,318	854,970	2,789,876
Capital Projects Fund	5,499,242	12,395,676	11,691,925
Total expenditures	5,805,855	13,323,755	14,554,049
Total expenditures and transfers out requiring appropriation	5,805,855	13,323,755	14,554,049
ENDING FUND BALANCES	\$ 19,943,749	\$ 11,250,832	\$ 89,867
EMERGENCY RESERVE	\$ 1,500	\$ 3,200	\$ 3,100
AVAILABLE FOR OPERATIONS	(764)	50,545	80,817
TOTAL RESERVE	\$ 736	\$ 53,745	\$ 83,917

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Multi-Family Residential	\$ 2,164,000	\$ 7,613,880	\$ 7,515,630
Commercial	-	-	304,160
Agricultural	1,230	1,210	1,310
State assessed	-	100	100
Vacant land	2,297,550	2,298,430	1,479,660
Personal property	238,710	230,480	58,500
Oil and Gas-Production	140	140	140
Certified Assessed Value	<u>\$ 4,701,630</u>	<u>\$ 10,144,240</u>	<u>\$ 9,359,500</u>

MILL LEVY

General	9.484	9.563	10.172
Debt Service	47.424	47.819	50.860
Total mill levy	<u>56.908</u>	<u>57.382</u>	<u>61.032</u>

PROPERTY TAXES

General	\$ 44,590	\$ 97,009	\$ 95,205
Debt Service	222,970	485,087	476,024
Levied property taxes	267,560	582,096	571,229
Adjustments to actual/rounding	-	27	-
Budgeted property taxes	<u>\$ 267,560</u>	<u>\$ 582,123</u>	<u>\$ 571,229</u>

BUDGETED PROPERTY TAXES

General	\$ 44,591	\$ 97,014	\$ 95,205
Debt Service	222,969	485,109	476,024
	<u>\$ 267,560</u>	<u>\$ 582,123</u>	<u>\$ 571,229</u>

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (5,586)	\$ 736	\$ 53,745
REVENUES			
Property taxes	44,602	97,036	95,205
Specific ownership taxes	3,341	7,396	7,140
Interest Income	35	100	75
Developer advance	21,958	21,585	-
Other Revenue	681	-	-
Total revenues	70,617	126,117	102,420
Total funds available	65,031	126,853	156,165
EXPENDITURES			
General and administrative			
Accounting	32,294	35,000	36,050
Auditing	5,200	5,500	5,700
County Treasurer's Fee	671	1,455	1,428
Dues and Membership	324	332	450
Insurance	4,171	4,021	4,620
Legal	20,435	20,000	22,000
Miscellaneous	1,200	800	2,000
Election	-	6,000	-
Total expenditures	64,295	73,108	72,248
Total expenditures and transfers out requiring appropriation	64,295	73,108	72,248
ENDING FUND BALANCES	\$ 736	\$ 53,745	\$ 83,917
EMERGENCY RESERVE	\$ 1,500	\$ 3,200	\$ 3,100
AVAILABLE FOR OPERATIONS	(764)	50,545	80,817
TOTAL RESERVE	\$ 736	\$ 53,745	\$ 83,917

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 4,718	\$ 7,715	\$ 6,163
REVENUES			
Property taxes	222,958	485,087	476,024
Specific ownership taxes	16,700	36,976	35,702
Interest Income	5,657	3,230	30,000
Facilities fees	-	-	1,348,000
Transfers from District #1 - PIF	-	328,125	899,938
Total revenues	245,315	853,418	2,789,664
Total funds available	250,033	861,133	2,795,827
EXPENDITURES			
General and administrative			
County Treasurer's Fee	3,356	7,276	7,140
Debt Service			
Bond interest - Series 2021	234,962	843,694	2,778,736
Paying agent fees	4,000	4,000	4,000
Total expenditures	242,318	854,970	2,789,876
Total expenditures and transfers out requiring appropriation	242,318	854,970	2,789,876
ENDING FUND BALANCES	\$ 7,715	\$ 6,163	\$ 5,950

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 21,778,566	\$ 19,935,298	\$ 11,190,925
REVENUES			
Interest Income	1,046,092	450,000	1,000
Developer advance	2,609,882	1,848,709	-
Reimbursed expenditures	-	1,352,594	-
City Contribution	-	-	500,000
Total revenues	3,655,974	3,651,303	501,000
Total funds available	25,434,540	23,586,601	11,691,925
EXPENDITURES			
General and Administrative			
Accounting	6,159	14,500	15,225
Repay developer advance - capital	2,609,882	1,038,503	-
Legal	5,228	15,000	10,500
Escrow Fee	2,250	7,000	2,850
Contingency	-	-	2,316
Capital Projects			
Engineering	184,181	194,639	35,000
Capital outlay	2,691,542	11,126,034	11,626,034
Total expenditures	5,499,242	12,395,676	11,691,925
Total expenditures and transfers out requiring appropriation	5,499,242	12,395,676	11,691,925
ENDING FUND BALANCES	\$ 19,935,298	\$ 11,190,925	\$ -

See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2026 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 59.000 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 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
2026 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.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. As of December 31, 2023, the adjusted maximum mill levy for debt service is 50.860 mills and 10.172 for operations. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

For property tax collection year 2026, HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.70%	Agricultural Land	26.40%
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%
Commercial	27.90%	Vacant Land	27.90%
Industrial	27.90%	Personal Property	27.90%
Lodging	27.90%	State Assessed	27.90%
		Oil & Gas Production	87.50%

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by 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 7.5% of the property taxes collected.

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$2,000 on each apartment unit and condo unit, and \$4,000 on each residential unit within the boundaries of the District and is reasonably related to the overall cost of providing the Facilities. The Facilities Fees are due and payable upon the issuance of a building permit for a residential unit.

Intergovernmental Revenue

The intergovernmental revenue represents transfers from District No. 1 of Pledged Net PIF Revenue as described in the details of the 2021 Bonds.

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.

Debt Service

Principal and interest payments on the Series 2021 Bonds (described below) are provided based upon projected available pledged revenues.

Capital Outlay

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

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The details of the District's general obligation bonds outstanding during 2023 are as follows:

Limited Tax General Obligation and Special Revenue Bonds, Series 2021 (the Bonds)

Details of the Bonds

On December 16, 2021, the District issued Limited Tax General Obligation and Special Revenue Bonds Series 2021. The proceeds of the Bonds will be used for purposes of (i) refunding the 2021 Note; (ii) paying a portion of the costs of capital infrastructure improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; and (iii) paying costs of issuance of the Bonds. 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. Rather, principal on the Bonds is payable annually on each December 1 from, and to the extent of Pledged Revenue

on deposit, if any, in the Mandatory Redemption Account of the Bond Fund. The Bonds mature December 1, 2051, with an interest rate of 5.50% per annum payable annually on each December 1, but only from and to the extent of available Pledged Revenue.

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 termination date of December 1, 2061, 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.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, 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>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, which means:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues (see Note 7)
- (c) all Excluded Property PILOT Revenues;
- (d) all Pledged Net PIF Revenues;
- (e) all Capital Fees;
- (f) any District No. 3 Discretionary PIF Revenues which the District determines, in its absolute discretion, to deposit with the Trustee for application as Pledged Revenue under the Indenture; and
- (g) any other legally available moneys which the District determines, in its absolute discretion, to credit the Bond Fund.

Pledged Net PIF Revenue

As defined in the Indenture and the Pledge Agreement, “Pledged Net PIF Revenue” means the Gross PIF Revenues, net of any PIF Collection Costs (which shall be deducted monthly by District No. 1 from Gross PIF Revenues in accordance with the provisions of the Indenture).

“Gross PIF Revenue” means, collectively, the portions of revenue derived from the imposition of the following in accordance with the Declaration of Covenants Imposing and Implementing, The Canyonside at Castle Pines Public Improvement Fee recorded in the real property records of the County on April 22, 2021, as amended by the First Amendment thereto dated as of June 30, 2021 and recorded in the real property records of the County on July 1, 2021 (the “PIF Covenant”).

The PIF Covenant includes: (i) the Credit PIF, but solely to the extent derived from the following (and subject to the limitations of the Development Agreement): (a) Credit PIF Construction Activities occurring within, or otherwise relating to, property within the District and Excluded Property and collected prior to the Credit PIF Termination Date (as defined in the PIF Covenant), and (b) Credit PIF Retail Sales initiated, consummated conducted, transacted or otherwise occurring from or within the Excluded Property and collected prior to the Credit PIF Termination Date, and (ii) the Add-On PIF, but solely to the extent derived from Add-On PIF Retail Sales initiated, consummated, conducted, transacted or otherwise occurring from or within the Excluded Property and collected prior to the Add-On PIF Termination Date (as defined in the PIF Covenant).

**THE CANYONS METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

The PIF Covenant imposes a Credit PIF on Credit PIF Construction Activities and a Credit PIF on Credit PIF Retail Sales of 1.375% in lieu of a portion of the City's Sales Tax. The Credit PIF on Credit PIF Construction Activities expires in 2034 and Credit PIF on Credit PIF Retail Sales expires in 2044. The District's Credit PIF on Credit PIF Construction Activities expires on residential units after 500 units are constructed in the District and the Excluded Property and has no expiration on the commercial development in the District and the Excluded Property. Additionally, the PIF Covenant imposes a 3% Add-on PIF imposed on Add-On PIF Retail Sales transactions in the Excluded Property. The Add-On PIF is not in lieu of any portion of the City's sales tax and is therefore in addition to sales taxes.

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.

This information is an integral part of the accompanying budget.

CANYONS METROPOLITAN DISTRICT NO. 3
SCHEDULE OF LONG TERM OBLIGATIONS

	Balance at December 31, 2024	Additions	Payments	Balance at December 31, 2025*
<u>Debts:</u>				
Developer Advance - Operating	\$ 204,675	\$ 21,585	\$ -	\$ 226,260
Developer Advance - Capital	30,818	1,848,709	(1,038,503)	841,024
Series 2021 Bonds	31,270,000	-	-	31,270,000
<u>Accrued Interest on:</u>				
Developer Advance - Operating	31,397	14,669	-	46,066
Developer Advance - Capital	6,320	36,508	-	42,828
Series 2021 Bonds	4,076,826	1,936,192	(843,694)	5,169,324
	<u>\$ 35,620,036</u>	<u>\$ 3,857,663</u>	<u>\$ (1,882,197)</u>	<u>\$ 37,595,502</u>
	Balance at December 31, 2025*	Additions	Payments	Balance at December 31, 2026*
<u>Debts:</u>				
Developer Advance - Operating	\$ 226,260	\$ -	\$ -	\$ 226,260
Developer Advance - Capital	841,024	-	-	841,024
Series 2021 Bonds	31,270,000	-	-	31,270,000
<u>Accrued Interest on:</u>				
Developer Advance - Operating	46,066	14,707	-	60,772
Developer Advance - Capital	42,828	52,317	-	95,145
Series 2021 Bonds	5,169,324	1,996,280	(2,778,736)	4,386,869
	<u>\$ 37,595,502</u>	<u>\$ 2,063,304</u>	<u>\$ (2,778,736)</u>	<u>\$ 36,880,070</u>

* - Estimated

THE CANYONS METROPOLITAN DISTRICT NO. 4
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**CANYONS METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 6	\$ -	\$ -
REVENUES			
Property taxes	2,255	2,276	3,751
Specific ownership taxes	169	174	281
Interest Income	2	-	-
Other Revenue	33	-	-
Total revenues	<u>2,459</u>	<u>2,450</u>	<u>4,032</u>
Total funds available	<u>2,465</u>	<u>2,450</u>	<u>4,032</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	34	34	56
Transfers to Canyons MD No. 1	2,431	2,416	3,976
Total expenditures	<u>2,465</u>	<u>2,450</u>	<u>4,032</u>
Total expenditures and transfers out requiring appropriation	<u>2,465</u>	<u>2,450</u>	<u>4,032</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

CANYONS METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Agricultural	\$ 13,900	\$ 13,900	\$ 33,790
Personal property	18,100	18,400	19,900
Natural Resources	680	680	670
Certified Assessed Value	<u>\$ 32,680</u>	<u>\$ 32,980</u>	<u>\$ 54,360</u>

MILL LEVY

General	69.000	69.000	69.000
Total mill levy	<u>69.000</u>	<u>69.000</u>	<u>69.000</u>

PROPERTY TAXES

General	\$ 2,255	\$ 2,276	\$ 3,751
Budgeted property taxes	<u>\$ 2,255</u>	<u>\$ 2,276</u>	<u>\$ 3,751</u>

BUDGETED PROPERTY TAXES

General	\$ 2,255	\$ 2,276	\$ 3,751
	<u>\$ 2,255</u>	<u>\$ 2,276</u>	<u>\$ 3,751</u>

THE CANYONS METROPOLITAN DISTRICT NO. 4
2026 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. "Pursuant to Colorado State Law, electoral authorization older than 20 years is considered stale with respect to unissued debt.

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
2026 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, sale 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 maximum mill levy for operations is 69.000 mills and the District has imposed the maximum mill levy as adjusted for changes in the method of calculating residential assessed value.

For property tax collection year 2026, HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.25%		Agricultural Land	27.00%		Single-Family Residential	\$55,000
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%		Multi-Family Residential	\$55,000
Commercial	27.00%		Vacant Land	27.00%		Commercial	\$30,000
Industrial	27.00%		Personal Property	27.00%		Industrial	\$30,000
Lodging	27.00%		State Assessed	27.00%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 Country Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.5% of the property taxes collected by the General Fund.

**THE CANYONS METROPOLITAN DISTRICT NO. 4
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

County Treasurer's Fees

Country 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, 2 and 8 -11.

Debt and Leases

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

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all TABOR funds received by the District are transferred to District No. 1, which pays for the District's operations and maintenance cost, 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. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

THE CANYONS METROPOLITAN DISTRICT NO. 5
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 7,046,057	\$ 4,087,378	\$ 3,191,689
REVENUES			
Property taxes	3,590,358	4,855,673	5,792,787
Specific ownership taxes	269,093	369,500	434,459
Reimbursed expenditures	24,770	-	-
Interest Income	396,201	185,050	118,000
Developer advance	8,952	-	-
Facilities fees	483,000	455,000	540,000
Other Revenue	22,616	30,586	-
Bond issuance proceeds	136,144,000	-	-
Bond Premium	7,093,028	-	-
PIF Revenue	705,254	517,626	614,326
Transfers from Canyons MD No. 6	2,597,191	-	-
Total revenues	151,334,463	6,413,435	7,499,572
TRANSFERS IN	17,007,880	-	-
Total funds available	175,388,400	10,500,813	10,691,261
EXPENDITURES			
General Fund	102,975	80,537	82,722
Debt Service Fund	137,190,167	7,228,587	7,377,597
Capital Projects Fund	17,000,000	-	-
Total expenditures	154,293,142	7,309,124	7,460,319
TRANSFERS OUT	17,007,880	-	-
Total expenditures and transfers out requiring appropriation	171,301,022	7,309,124	7,460,319
ENDING FUND BALANCES	\$ 4,087,378	\$ 3,191,689	\$ 3,230,942
EMERGENCY RESERVE	\$ 4,800	\$ 3,200	\$ 3,800
RESERVE FUND - 2024A	3,023,156	3,023,156	3,023,156
TOTAL RESERVE	\$ 3,027,956	\$ 3,026,356	\$ 3,026,956

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Residential	\$ 54,496,130	\$ 65,126,870	\$ 78,444,450
Commercial	-	-	300,920
Industrial	2,170	2,170	2,100
Agricultural	5,810	4,270	2,470
State assessed	3,700	3,700	4,200
Vacant land	16,934,070	15,374,590	16,154,860
Personal property	1,056,980	986,920	684,700
Certified Assessed Value	<u>\$ 72,498,860</u>	<u>\$ 81,498,520</u>	<u>\$ 95,593,700</u>

MILL LEVY

General	1.208	1.216	1.184
Debt Service	48.345	58.373	59.414
Total mill levy	<u>49.553</u>	<u>59.589</u>	<u>60.598</u>

PROPERTY TAXES

General	\$ 87,579	\$ 99,102	\$ 113,183
Debt Service	3,504,957	4,757,313	5,679,604
Levied property taxes	<u>3,592,536</u>	<u>4,856,415</u>	<u>5,792,787</u>
Adjustments to actual/rounding	(2,178)	-	-
Refunds and abatements	-	(742)	-
Budgeted property taxes	<u>\$ 3,590,358</u>	<u>\$ 4,855,673</u>	<u>\$ 5,792,787</u>

BUDGETED PROPERTY TAXES

General	\$ 87,605	\$ 99,087	\$ 113,183
Debt Service	3,502,753	4,756,586	5,679,604
	<u>\$ 3,590,358</u>	<u>\$ 4,855,673</u>	<u>\$ 5,792,787</u>

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (3,483)	\$ 51,993	\$ 78,093
REVENUES			
Property taxes	87,605	99,087	113,183
Specific ownership taxes	6,566	7,500	8,489
Interest Income	63	50	3,000
Developer advance	8,906	-	-
Reimbursed expenditures	24,770	-	-
Other Revenue	4,168	-	-
Transfers from Canyons MD No. 6	34,253	-	-
Total revenues	166,331	106,637	124,672
Total funds available	162,848	158,630	202,765
EXPENDITURES			
General and administrative			
Accounting	46,067	42,000	43,000
Auditing	5,300	5,600	5,600
County Treasurer's Fee	1,316	1,487	1,698
Directors' fees	400	400	1,600
Dues and Membership	339	344	500
Insurance	4,455	4,675	5,200
Legal	43,798	22,000	23,000
Miscellaneous	1,200	1,500	2,000
Payroll taxes	31	31	124
Election	69	2,500	-
Total expenditures	102,975	80,537	82,722
TRANSFERS OUT			
Transfers to other fund	7,880	-	-
Total expenditures and transfers out requiring appropriation	110,855	80,537	82,722
ENDING FUND BALANCES	\$ 51,993	\$ 78,093	\$ 120,043
EMERGENCY RESERVE	\$ 4,800	\$ 3,200	\$ 3,800
TOTAL RESERVE	\$ 4,800	\$ 3,200	\$ 3,800

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 7,049,586	\$ 4,035,385	\$ 3,113,596
REVENUES			
Property taxes	3,502,753	4,756,586	5,679,604
Specific ownership taxes	262,527	362,000	425,970
PIF Revenue	705,254	517,626	614,326
Other Revenue	18,448	30,586	-
Interest Income	396,138	185,000	115,000
Facilities fees	483,000	455,000	540,000
Bond issuance proceeds	136,144,000	-	-
Bond Premium	7,093,028	-	-
Transfers from Canyons MD No. 6	2,562,938	-	-
Total revenues	151,168,086	6,306,798	7,374,900
TRANSFERS IN			
Transfers from other funds	7,880	-	-
Total funds available	158,225,552	10,342,183	10,488,496
EXPENDITURES			
General and administrative			
Accounting	1,070	-	-
County Treasurer's Fee	52,613	71,360	85,194
Debt Service			
Bond Interest - Series 2016C	8,163,742	-	-
Bond interest - Series 2017A	1,446,397	-	-
Bond interest - Series 2017B	8,064,208	-	-
Bond interest - Series 2024A	670,981	4,831,063	4,827,313
Bond interest - Series 2024B	-	2,246,164	1,895,090
Bond Principal - Series 2016C	26,232,000	-	-
Bond principal - Series 2024A	-	75,000	565,000
Paying agent fees	5,500	5,000	5,000
Bond issue costs	4,415,475	-	-
Transfers to Canyons MD No. 6	26,277,374	-	-
Refunding escrow	61,860,807	-	-
Total expenditures	137,190,167	7,228,587	7,377,597
TRANSFERS OUT			
Transfers to other fund	17,000,000	-	-
Total expenditures and transfers out requiring appropriation	154,190,167	7,228,587	7,377,597
ENDING FUND BALANCES	\$ 4,035,385	\$ 3,113,596	\$ 3,110,899
RESERVE FUND - 2024A	\$ 3,023,156	\$ 3,023,156	\$ 3,023,156
TOTAL RESERVE	\$ 3,023,156	\$ 3,023,156	\$ 3,023,156

See summary of significant assumptions.

THE CANYONS METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/1/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (46)	\$ -	\$ -
REVENUES			
Developer advance	46	-	-
Total revenues	46	-	-
TRANSFERS IN			
Transfers from other funds	17,000,000	-	-
Total funds available	17,000,000	-	-
EXPENDITURES			
General and Administrative			
Capital Projects			
Repay developer advance	17,000,000	-	-
Total expenditures	17,000,000	-	-
Total expenditures and transfers out requiring appropriation	17,000,000	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2026 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
2026 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.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. As of December 31, 2023, the adjusted maximum mill levy for debt service is 48.345 mills and 1.208 for operations. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

For property tax collection year 2026, HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 7.5% of the property taxes collected.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.50%.

Facilities Fees

The District imposes a Facilities Fee in the amount of \$5,000 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.

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 2024A bonds.

The District anticipates an interest payment on the Series 2024B bonds. A debt to maturity schedule is not attached due to the cash flow nature of these Bonds.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2024A Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds

On October 11, 2024, the District issued \$98,955,000 of Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds. The proceeds from the sale of the 2024A Bonds were used to:

- (a) Refunding a portion of the District's 2017A, 2017B, and 2016C Bonds and District No. 6's 2017A, 2017B, and 2016C Bonds;
- (b) Paying or reimbursing costs of the facilities;
- (c) Fund a deposit to the Senior Reserve Fund representing 50% of the Senior Reserve Requirement; and
- (d) Pay the costs of issuing the Bonds and the 2024B Subordinate Bonds and the premium for the Bond Insurance Policy and Reserve Policy which will fund 50% of the Senior Reserve Requirement

The Series 2024A Bonds bear interest at rates ranging from 4.125% to 5.250%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2024. Annual mandatory sinking fund principal payments on the Series 2024A Bonds are due on December 1, beginning on December 1, 2025. The Series 2024A Bonds mature on December 1, 2059.

The Series 2024A 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 2024A 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.

The Series 2024A Bonds are further secured by amounts on deposit in the Senior Reserve Fund, which was 50% funded with proceeds from the Series 2024A Bonds and the in the amount of the Required Reserve of \$3,023,156.

The Series 2024A 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 2024A 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, and the Senior

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Reserve Fund) and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 48 mills (as adjusted).

Series 2024B Subordinate Limited Tax General Obligation and Special Revenue Bonds

On October 11, 2024, the District issued \$37,189,000 of Limited Tax General Obligation and Special Revenue Bonds. The proceeds from the sale of the Series 2024B Bonds were used for the purpose of paying an additional portion of the costs of refunding District's 2017A, 2017B, and 2016C Bonds and District No. 6's 2017A, 2017B, and 2016C Bonds.

The Series 2024B Bonds bear an interest rate of 6.50% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Series 2024B 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 2024B 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 2024B Bonds on December 15 of the then current year. Unpaid interest on the 2024B Bonds compounds annually on each December 15.

In the event that, on December 15, 2064 any amount of principal of or interest on the Series 2024B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the Series 2024B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

The Series 2024B 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 2024B Indenture, the District has further covenanted to levy a Subordinate Required Mill Levy each year in the amount equal to (i) 48 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 2024B Bonds in full.

The District has no operating or capital leases.

**THE CANYONS METROPOLITAN DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 2024A Bonds.

This information is an integral part of the accompanying budget.

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

\$98,955,000

Limited Tax General Obligation Refunding and Improvement Bonds

Series 2024A, Dated October 11, 2024

Interest Rate 5.00%

Principal Payable December 1

Interest Payable

June 1 and December 1

For the Year Ending December 31,	Principal	Interest	Total
2026	\$ 565,000	\$ 4,827,313	\$ 5,392,313
2027	1,245,000	4,799,063	6,044,063
2028	1,305,000	4,736,813	6,041,813
2029	1,370,000	4,671,563	6,041,563
2030	1,440,000	4,603,063	6,043,063
2031	1,515,000	4,531,063	6,046,063
2032	1,590,000	4,455,313	6,045,313
2033	1,670,000	4,375,813	6,045,813
2034	1,750,000	4,292,313	6,042,313
2035	1,840,000	4,204,813	6,044,813
2036	1,930,000	4,112,813	6,042,813
2037	2,025,000	4,016,313	6,041,313
2038	2,130,000	3,915,063	6,045,063
2039	2,235,000	3,808,563	6,043,563
2040	2,345,000	3,696,813	6,041,813
2041	2,465,000	3,579,563	6,044,563
2042	2,590,000	3,456,313	6,046,313
2043	2,715,000	3,326,813	6,041,813
2044	2,855,000	3,191,063	6,046,063
2045	2,995,000	3,048,313	6,043,313
2046	3,145,000	2,898,563	6,043,563
2047	3,305,000	2,741,313	6,046,313
2048	3,470,000	2,576,063	6,046,063
2049	3,640,000	2,402,563	6,042,563
2050	3,825,000	2,220,563	6,045,563
2051	3,980,000	2,062,781	6,042,781
2052	4,145,000	1,898,606	6,043,606
2053	4,315,000	1,727,625	6,042,625
2054	4,495,000	1,549,631	6,044,631
2055	4,680,000	1,364,213	6,044,213
2056	4,925,000	1,118,513	6,043,513
2057	5,185,000	859,950	6,044,950
2058	5,455,000	587,738	6,042,738
2059	5,740,000	301,350	6,041,350
Total	<u>\$ 98,880,000</u>	<u>\$ 105,958,219</u>	<u>\$ 204,838,219</u>

EXHIBIT B
2025 Applications for Audit Exemption
District Nos. 1, 2, and 4

Application for Exemption From Audit Long Form

Instructions

For local governments with either revenues or expenditures/expenses more than \$200,000 but not more than \$1,000,000

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.), any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 for the year.

Exemptions from audit are NOT automatic

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Long Form must be a person skilled in governmental accounting.

Read ALL instructions before completing and submitting this form

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**. Proprietary Activity should be reported on the **Cash or Budgetary Basis** — a budget to GAAP reconciliation is provided in Part 3B.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

Checklist

- ☐ Has the preparer signed the application prior to board approval?
- ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
- ☐ Has the application been **personally** reviewed and approved by the governing body?
- ☐ Are all sections on the form complete, including responses to all of the questions?
- ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically? ☐ Yes ☐ No

- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 11.

-- or --

☐ If yes, have you included a resolution?☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ☐ Yes ☐ No☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?**Filing Methods****Web Portal (recommended)**apps.leg.co.gov/osa/lq

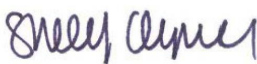
For faster processing, the web portal should be used for submissions.

Mail**Office of the State Auditor**Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000**Questions? Email:** osa.lg@coleg.gov **Phone:** 303-869-3000**Contact Information**For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	The Canyons Metropolitan District No. 1
Street address	2001 16th Street, Suite 1700
City, State, Zip	Denver, CO 80202
Contact person	Shelby Clymer
Phone	(303) 779-5710
Email	Shelby.Clymer@claconnect.com

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. The preparer must sign prior to board approval.

Name	Shelby Clymer
Title	Accountant for the District
Firm name (if applicable)	CliftonLarsonAllen LLP
Address	2001 16th Street, Suite 1700, Denver, CO 80202
Phone	(303) 779-5710
Relationship to entity	Accountant for the District
Preparer signature	Date prepared
	3/5/26

See accompanying letter at the end of this form.

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, enter date filed		

Part 1: Financial Statements — Balance Sheet

Part 1A: Governmental Funds (Modified Accrual Basis) Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-1	Cash and Cash Equivalents	\$ 1,744			
1-2	Investments	\$ 69,225			
1-3	Receivables				
1-4	Due from Other Entities or Funds				
1-5	Property Tax Receivable				
1-6	All Other Assets:				
1-7	Lease Receivable (as Lessor)				
	Other (specify in lines 1-8 through 1-10)				
1-8	Due from District No. 2	\$ 15			
1-9	Due from District No. 4	\$ 603			
1-10	Prepaid Insurance	\$ 13,923			
1-11	TOTAL ASSETS (Add lines 1-1 through 1-10)	\$ 85,509	\$ 0	\$ 0	\$ 0
	Deferred Outflows of Resources (specify in lines 1-12 and 1-13)				
1-12					
1-13					
1-14	Total Deferred Outflows (Add lines 1-12 through 1-13)	\$ 0	\$ 0	\$ 0	\$ 0
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS (Add lines 1-11 and 1-14)	\$ 85,509	\$ 0	\$ 0	\$ 0

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-16	Accounts Payable	\$ 4,191			
1-17	Accrued Payroll and Related Liabilities				
1-18	Unearned Revenue				
1-19	Due to Other Entities or Funds				
1-20	All Other Current Liabilities				
1-21	TOTAL CURRENT LIABILITIES (Add lines 1-16 through 1-20)	\$ 4,191	\$ 0	\$ 0	\$ 0
	All Other Liabilities (specify in lines 1-22 through 1-25)				
1-22					
1-23					
1-24					
1-25					
1-26	TOTAL LIABILITIES (Add lines 1-21 through 1-25)	\$ 4,191	\$ 0	\$ 0	\$ 0
	Deferred Inflows of Resources				
1-27	Deferred Property Taxes				
1-28	Lease related (as Lessor)				
1-29	TOTAL DEFERRED INFLOWS (Add lines 1-27 through 1-28)	\$ 0	\$ 0	\$ 0	\$ 0
	Fund Balance				
1-30	Nonspendable-Prepaid	\$ 13,923			
1-31	Nonspendable-Inventory				
1-32	Restricted	\$ 3,200			
1-33	Committed				
1-34	Assigned				
1-35	Unassigned	\$ 64,194			
1-36	Total Fund Balance (Add lines 1-30 through 1-35. This total should be the same as line 3-34)	\$ 81,317	\$ 0	\$ 0	\$ 0
1-37	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (Add lines 1-26, 1-29, and 1-36. This total should be the same as line 1-15)	\$ 85,508	\$ 0	\$ 0	\$ 0

Part 1B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-38	Cash and Cash Equivalents				
1-39	Investments				
1-40	Receivables				
1-41	Due from Other Entities or Funds				
	Other Current Assets (specify in line 1-42)				
1-42					
1-43	Total Current Assets (Add lines 1-38 through 1-42)	\$ 0	\$ 0	\$ 0	\$ 0
1-44	Capital & Right-to-Use Assets, net (from Part 6, Capital & Right-to-Use Table)				
	Other Long Term Assets (specify in lines 1-45 through 1-47)				
1-45					
1-46					
1-47					
1-48	TOTAL ASSETS (Add lines 1-43 through 1-47)	\$ 0	\$ 0	\$ 0	\$ 0
	Deferred Outflows of Resources (specify in lines 1-49 through 1-50)				
1-49					
1-50					
1-51	Total Deferred Outflows (Add lines 1-49 through 1-50)	\$ 0	\$ 0	\$ 0	\$ 0
1-52	TOTAL ASSETS AND DEFERRED OUTFLOWS (Add lines 1-48 and 1-51)	\$ 0	\$ 0	\$ 0	\$ 0

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-53	Accounts Payable				
1-54	Accrued Payroll and Related Liabilities				
1-55	Accrued Interest Payable				
1-56	Due to Other Entities or Funds				
1-57	All Other Current Liabilities				
1-58	TOTAL CURRENT LIABILITIES (Add lines 1-53 through 1-57)	\$ 0	\$ 0	\$ 0	\$ 0
1-59	Proprietary Debt Outstanding (from Part 4, Debt Schedule Table)				
	Other (specify in lines 1-60 through 1-62)				
1-60					
1-61					
1-62					
1-63	TOTAL LIABILITIES (Add lines 1-58 through 1-62)	\$ 0	\$ 0	\$ 0	\$ 0
	Deferred Inflows of Resources				
1-64	Pension/OPEB Related				
	Other (specify in line 1-65)				
1-65					
1-66	TOTAL DEFERRED INFLOWS (Add lines 1-64 through 1-65)	\$ 0	\$ 0	\$ 0	\$ 0
	Net Position				
1-67	Net Investment in Capital and Right-to-Use Assets				
1-68	Emergency Reserves				
1-69	Other Designation/Reserves				
1-70	Restricted				
1-71	Undesignated/Unreserved/Unrestricted				
1-72	Total Net Position (Add lines 1-67 through 1-71. This total should be the same as 3-70.)	\$ 0	\$ 0	\$ 0	\$ 0
1-73	TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION (Add lines 1-63, 1-66, and 1-72. This total should be the same as 1-52.)	\$ 0	\$ 0	\$ 0	\$ 0

Part 1C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Part 2: Financial Statements — Operating Statement — Revenues

Part 2A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-1	Property (include mills levied in question 10-12)				
2-2	Specific Ownership				
2-3	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-4 through 2-6)				
2-4					
2-5					
2-6					
2-7	TOTAL TAX REVENUE (Add lines 2-1 through 2-6)	\$ 0	\$ 0	\$ 0	\$ 0
	Other Revenue Sources				
2-8	Licenses and Permits				
2-9	Highway Users Tax Funds (HUTF)				
2-10	Conservation Trust Funds (Lottery)				
2-11	Community Development Block Grant				
2-12	Fire & Police Pension				
2-13	Grants				
2-14	Donations				
2-15	Charges for Sales and Services				
2-16	Rental Income				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
2-17	Fines and Forfeits				
2-18	Interest/Investment Income	\$ 3,760			
2-19	Tap Fees				
2-20	Proceeds from Sale of Capital Assets				
	Other (specify in lines 2-21 through 2-22)				
2-21	Transfers from District Nos. 2 & 4	\$ 101,961			
2-22	Public Improvement Fees	\$ 328,125			
2-23	TOTAL REVENUES (Add lines 2-7 through 2-22)	\$ 433,846	\$ 0	\$ 0	\$ 0
	Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-24	Debt Proceeds				
2-25	Lease Proceeds				
2-26	Developer Advances				
	Other (specify in line 2-27)				
2-27					
2-28	Total Other Financing Sources (Add lines 2-24 through 2-27)	\$ 0	\$ 0	\$ 0	\$ 0
2-29	TOTAL REVENUES AND OTHER FINANCING SOURCES (Add lines 2-23 and 2-28)	\$ 433,846	\$ 0	\$ 0	\$ 0

Part 2B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-30	Property (include mills levied in question 10-12)				
2-31	Specific Ownership				
2-32	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-33 through 2-36)				
2-33					
2-34					
2-35					
2-36	TOTAL TAX REVENUE (Add lines 2-30 through 2-35)	\$ 0	\$ 0	\$ 0	\$ 0
	Other Revenue Sources				
2-37	Licenses and Permits				
2-38	Highway Users Tax Funds (HUTF)				
2-39	Conservation Trust Funds (Lottery)				
2-40	Community Development Block Grant				
2-41	Fire & Police Pension				
2-42	Grants				
2-43	Donations				
2-44	Charges for Sales and Services				
2-45	Rental Income				
2-46	Fines and Forfeits				
2-47	Interest/Investment Income				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
2-48	Tap Fees				
2-49	Proceeds from Sale of Capital Assets				
	All Other (specify in lines 2-50 through 2-51)				
2-50					
2-51					
2-52	TOTAL REVENUES (Add lines 2-36 through 2-51)	\$ 0	\$ 0	\$ 0	\$ 0
	Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-53	Debt Proceeds				
2-54	Lease Proceeds				
2-55	Developer Advances				
	Other (specify in line 2-56)				
2-56					
2-57	Total Other Financing Sources (Add lines 2-53 through 2-56)	\$ 0	\$ 0	\$ 0	\$ 0
2-58	TOTAL REVENUES AND OTHER FINANCING SOURCES (Add lines 2-52 and 2-57)	\$ 0	\$ 0	\$ 0	\$ 0

Part 2C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Part 3: Financial Statements — Operating Statement — Expenditures/Expenses

Part 3A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenditures				
3-1	General Government	\$ 90,513			
3-2	Judicial				
3-3	Law Enforcement				
3-4	Fire				
3-5	Highways & Streets				
3-6	Solid Waste				
3-7	Contributions to Fire & Police Pension Association				
3-8	Health				
3-9	Culture and Recreation				
3-10	Transfers to other districts	\$ 328,125			
	Other (specify in lines 3-11 through 3-13)				
3-11					
3-12					
3-13					
3-14	Capital Outlay				
	Debt Service				
3-15	Principal (from Part 4, Debt Schedule Table)				
3-16	Interest				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
3-17	Bond Issuance Costs				
3-18	Developer Principal Repayments (from Part 4, Debt Schedule Table)				
3-19	Developer Interest Repayments				
	All Other (specify in lines 3-20 through 3-22)				
3-20					
3-21					
3-22					
3-23	TOTAL EXPENDITURES (Add lines 3-1 through 3-22)	\$ 418,638	\$ 0	\$ 0	\$ 0
	Transfers and Other Expenditures				
3-24	Interfund Transfers (In)				
3-25	Interfund Transfers (Out)				
	Other Expenditures (Revenues) (Specify in lines 3-26 through 3-28.)				
3-26					
3-27					
3-28					
3-29	Total Transfers and Other Expenditures (Add lines 3-24 through 3-28)	\$ 0	\$ 0	\$ 0	\$ 0
3-30	EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (line 2-29 less line 3-23 less line 3-29)	\$ 15,208	\$ 0	\$ 0	\$ 0
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 66,109			
3-32	Prior Period Adjustment (MUST explain in line 3-33)				
3-33					
3-34	FUND BALANCE, DECEMBER 31 (Add lines 3-30, 3-31, and 3-32. Should match line 1-36.)	\$ 81,317	\$ 0	\$ 0	\$ 0

Part 3B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: _____

Fund B: _____

Fund C: _____

Fund D: _____

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenses				
3-35	General Operating and Administrative				
3-36	Salaries				
3-37	Payroll Taxes				
3-38	Contract Services				
3-39	Employee Benefits				
3-40	Insurance				
3-41	Accounting and Legal Fees				
3-42	Repair and Maintenance				
3-43	Supplies				
3-44	Utilities				
3-45	Contributions to Fire & Police Pension Association				
	Other (specify in lines 3-46 through 3-47)				
3-46					
3-47					
3-48	Capital Outlay				
	Debt Service				
3-49	Principal (should match amount in Part 4, Debt Schedule Table)				
3-50	Interest				
3-51	Bond Issuance Costs				
3-52	Developer Principal Repayments				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
3-53	Developer Interest Repayments				
	All Other (specify in lines 3-54 through 3-57)				
3-54					
3-55					
3-56					
3-57					
3-58	TOTAL EXPENSES (Add lines 3-35 through 3-57)	\$ 0	\$ 0	\$ 0	\$ 0
	GAAP Reconciling Items				
3-59	Net Interfund Transfers (In) Out				
	Other (specify in line 3-60. Enter negative for expense.)				
3-60					
3-61	Depreciation/Amortization				
3-62	Other Financing Sources (from line 2-57)				
3-63	Capital Outlay (from line 3-48)				
3-64	Debt Principal (from line 3-49, 3-52)				
3-65	Total GAAP Reconciling Items (Add lines 3-60, 3-63, and 3-64, subtract lines 3-61 and 3-62)	\$ 0	\$ 0	\$ 0	\$ 0
3-66	NET INCREASE (DECREASE) IN NET POSITION (Line 2-58, less line 3-58, plus line 3-65, less line 3-59)	\$ 0	\$ 0	\$ 0	\$ 0
3-67	Net Position, January 1 from December 31 prior year report				
3-68	Prior Period Adjustment (MUST explain in line 3-69)				
3-69					
3-70	NET POSITION, DECEMBER 31 (Add lines 3-66, 3-67, and 3-68. Should match line 1-72.)	\$ 0	\$ 0	\$ 0	\$ 0

Part 3C: Grand Total of Revenues and Expenditures/Expenses

Line	Description	Total
	Total Revenues per Fund	
3-71	General Fund	\$ 433,846
3-72		\$ 0
3-73		\$ 0
3-74		\$ 0
3-75	Governmental Funds (Add lines 3-71 through 3-74)	\$ 433,846
3-76		\$ 0
3-77		\$ 0
3-78		\$ 0
3-79		\$ 0
3-80	Proprietary/Fiduciary Funds (Add lines 3-76 through 3-79)	\$ 0
3-81	GRAND TOTAL REVENUES (ALL FUNDS) (Add lines 3-75 and 3-80)	\$ 433,846
	Total Expenditures/Expenses per Fund	
3-82	General Fund	\$ 418,638
3-83		\$ 0
3-84		\$ 0
3-85		\$ 0
3-86	Governmental Funds (Add lines 3-82 through 3-85)	\$ 418,638
3-87		\$ 0
3-88		\$ 0
3-89		\$ 0
3-90		\$ 0
3-91	Proprietary/Fiduciary Funds (Add lines 3-87 through 3-90)	\$ 0
3-92	GRAND TOTAL EXPENDITURES/EXPENSES (ALL FUNDS) (Add lines 3-86 and 3-91)	\$ 418,638

IF EITHER GRAND TOTAL REVENUES OR EXPENDITURES/EXPENSES FOR ALL FUNDS IS GREATER THAN \$1,000,000 — 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 3D: Comments or Additional Information

Please use the space below to provide any additional information (optional).

Part 4: Debt Outstanding, Issued, and Retired

4-1	Does the entity have outstanding debt?	☒ Yes	☐ No
4-2	If no, skip to line 4-15. If yes, please attach a copy of the entity's debt repayment schedule.		
4-3	Is the debt repayment schedule attached?	☐ N/A	☐ Yes ☒ No
4-4	If no, MUST explain below. N/A - Developer Advance will be repaid if and when funds are available.		
4-5	Is the entity current in its debt service payments?	☐ Yes	☒ No
4-6	If no, MUST explain below. N/A - Developer Advance will be repaid if and when funds are available.		
4-7	If no, also indicate if the government is in default with its bond agreements.	☐ Yes	☒ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.
Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
4-8	General Obligation Bonds				\$ 0
4-9	Revenue Bonds				\$ 0
4-10	Notes/Loans				\$ 0
4-11	Lease and SBITA** Liabilities (GASB 87 & 96)				\$ 0
4-12	Developer Advances	\$ 441,049			\$ 441,049
	Other (specify in line 4-13)				
4-13					\$ 0
4-14	TOTAL (Add lines 4-8 through 4-13)	\$ 441,049	\$ 0	\$ 0	\$ 441,049

*Must agree to prior year-end balance
**Subscription-Based Information Technology Arrangements

Comments (optional)

4-15	Does the entity have any authorized but unissued debt as of its fiscal year-end?	☒ Yes	☐ No
4-16	If yes, how much?	\$ 2,260,000,000	
4-17	Date the debt was authorized	11/4/2014	
4-18	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	☒ Yes	☐ No
4-19	If yes, how much?	\$ 226,000,000	
4-20	Date of the most recent Service Plan	11/8/2021	
4-21	Does the entity intend to issue debt within the next calendar year?	☐ Yes	☒ No
4-22	If yes, how much?		
4-23	Does the entity have debt that has been refinanced that it is still responsible for?	☐ Yes	☒ No
4-24	If yes, what is the amount outstanding?		
4-25	Does the entity have any lease agreements?	☐ Yes	☒ No
4-26	If yes, what is being leased?		
4-27	What is the original date of the lease?		
4-28	Number of years of lease?		
4-29	Is the lease subject to annual appropriation?	☐ Yes	☒ No
4-30	What are the annual lease payments?		

Please use the space below to provide any additional information (optional).

Part 5: Cash and Investments

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

Line	Description	Amount
5-1	Year-end Total of all Checking and Savings Accounts	\$ 1,744
5-2	Certificates of Deposit	
5-3	TOTAL CASH DEPOSITS (Add lines 5-1 and 5-2)	\$ 1,744
	Investments (Specify in lines 5-4 through 5-8. If investment is a mutual fund, please list underlying investment.)	
5-4	CSAFE	\$ 69,225
5-5		
5-6		
5-7		
5-8		
5-9	Total Investments (Add lines 5-4 through 5-8)	\$ 69,225
5-10	TOTAL CASH AND INVESTMENTS (Add lines 5-3 and 5-9)	\$ 70,968

5-11	Are the entity’s investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☐ N/A	☒ Yes	☐ No
5-12	Are the entity’s deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		☒ Yes	☐ No
5-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

Part 6: Capital and Right-to-Use Assets

6-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 6.)	☒ Yes	☐ No
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	☒ Yes	☐ No
6-3	If no, MUST explain below.		

Capital and Right-to-Use Assets Table for Governmental Funds

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-4	Land	\$ 186,135			\$ 186,135
6-5	Buildings				\$ 0
6-6	Machinery and Equipment				\$ 0
6-7	Furniture and Fixtures				\$ 0
6-8	Infrastructure				\$ 0
6-9	Construction In Progress (CIP)				\$ 0
6-10	Leased & SBITA Right-to-Use Assets				\$ 0
6-11	Intangible Assets				\$ 0
	Other (explain in line 6-12)				
6-12	Water and Sewer	\$ 42,700			\$ 42,700
6-13	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
6-14	Accumulated Depreciation (Enter a negative or credit balance)				\$ 0
6-15	TOTAL (Add lines 6-4 through 6-14)	\$ 228,835	\$ 0	\$ 0	\$ 228,835

*Must agree to prior year-end balance.

**Generally capital asset additions should be reported as capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Capital and Right-to-Use Assets Table for Proprietary Funds

Please complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS.

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-16	Land				\$ 0
6-17	Buildings				\$ 0
6-18	Machinery and Equipment				\$ 0
6-19	Furniture and Fixtures				\$ 0
6-20	Infrastructure				\$ 0
6-21	Construction In Progress (CIP)				\$ 0
6-22	Leased & SBITA Right-to-Use Assets				\$ 0
6-23	Intangible Assets				\$ 0
	Other (explain in line 6-24)				
6-24					\$ 0
6-25	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				\$ 0
6-26	Accumulated Depreciation (Enter a negative or credit balance)				\$ 0
6-27	TOTAL (Add lines 6-16 through 6-26)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance.
**Generally capital asset additions should be reported as capital outlay on line 3-48 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 7: Pension Information

7-1	Does the entity have an “old hire” firefighters’ pension plan?	☐ Yes	☒ No
7-2	Does the entity have a volunteer firefighters’ pension plan?	☐ Yes	☒ No
7-3	If yes, who administers the plan?		
	Indicate the contributions from the following in lines 7-4 through 7-6.		
7-4	Tax (property, specific ownership, sales, etc.)		
7-5	State contribution amount		
7-6	Other (gifts, donations, etc.)		
7-7	TOTAL (Add lines 7-4 through 7-6)	\$ 0	
7-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

Part 8: Budget Information

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.?	☐ N/A	☒ Yes	☐ No
8-2	If no, MUST explain below.			
8-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	☐ N/A	☒ Yes	☐ No
8-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported. Ensure each individual fund’s final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
8-5	General Fund	\$ 829,100
8-6		
8-7		
8-8		
8-9		

Please use the space below to provide any additional information (optional).

Part 9: Taxpayer’s Bill of Rights (TABOR)

9-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	☒ Yes	☐ No
9-2	If no, MUST explain below.		

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

Please use the space below to provide any additional information (optional).

Part 10: General Information

10-1	Is this application for a newly formed governmental entity?	☐ Yes	☒ No
10-2	If yes, what was the date of formation		
10-3	Has the entity changed its name in the past or current year?	☐ Yes	☒ No
10-4	If yes, please list the NEW name below.		
10-5	If yes, please list the PRIOR name below.		
10-6	Is the entity a metropolitan district?	☒ Yes	☐ No
10-7	Please indicate what services the entity provides below. Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks and recreation, television translation, and fire protection/emergency medical services.		
10-8	Does the entity have an agreement with another government to provide services?	☒ Yes	☐ No
10-9	If yes, list the name of the other governmental entity and the services provided below. Consolidated Service Plan with The Canyons Metropolitan District Nos. 2-5 and 8-11.		
10-10	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
10-11	If yes, what was the date filed		
10-12	Does the entity have a certified mill levy?	☒ Yes	☐ No
	If yes, please provide the following mills levied for the year reported (do not report dollar amounts).		
10-13	Bond redemption mills		
10-14	General/other mills	0.000	
10-15	TOTAL MILLS (Add lines 10-13 through 10-14.)	0.000	
10-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
10-17	If no, please explain below.		

Please use the space below to provide any additional information (optional).

--

Part 11: Governing Body Approval

11-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	☒ Yes	☐ No
-------------	--	--------------------------------------	--------------------------

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

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:

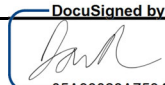
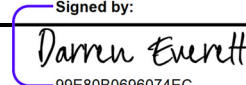
- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be 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 must note their approval and submit the application using one of the following two methods:

- 1) Submit the application in hard copy via U.S. 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.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Jonathan Alpert	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	 DocuSigned by: 05A33020A753450...	3/10/2026
Board Member 2		
Board member's name	Brian Alpert	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 3		
Board member's name	Darren Everett	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	 Signed by: 99E80B0696074EC...	3/9/2026
Board Member 4		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date



March 5, 2026

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

The accompanying Application for Exemption from Audit ("Application") was prepared by CliftonLarsonAllen, LLP in a format prescribed by the Colorado Office of the State Auditor which may differ from accounting principles generally accepted in the United States of America. The application 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.

Certificate Of Completion

Envelope Id: 49D6ACA2-0E4A-47FB-9F05-010707496D73	Status: Completed
Subject: Complete with Docusign: CMD1 2025 Audit Exemption.pdf	
Client Name: Canyons MD 1	
Client Number: A520181	
Source Envelope:	
Document Pages: 29	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	
Envelopeld Stamping: Enabled	
Time Zone: (UTC-06:00) Central Time (US & Canada)	
	Envelope Originator: Sandy Brandenburger 220 S 6th St Ste 300 Minneapolis, MN 55402-1418 Sandy.Brandenburger@claconnect.com IP Address: 4.8.249.58

Record Tracking

Status: Original 3/9/2026 11:23:39 AM	Holder: Sandy Brandenburger Sandy.Brandenburger@claconnect.com	Location: DocuSign
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Signer Events

Darren Everett
darren@twoarrowsgroup.com
TAG Zuni LLC
Manager
Security Level: Email, Account Authentication
(None)

Signature

Signed by:

99E80B0696074EC...
Signature Adoption: Pre-selected Style
Using IP Address:
2603:300b:739:3200:28e4:bae8:cef5:2a30

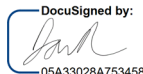
Timestamp

Sent: 3/9/2026 11:29:36 AM
Viewed: 3/9/2026 2:00:08 PM
Signed: 3/9/2026 2:00:27 PM

Electronic Record and Signature Disclosure:

Accepted: 3/9/2026 2:00:08 PM
ID: 714a1324-5d0f-4611-b614-5d0b03f5bf3f

Jonathan Alpert
jalpert@alpertcorp.com
Security Level: Email, Account Authentication
(None)

DocuSigned by:

05A33028A753458...
Signature Adoption: Drawn on Device
Using IP Address: 2a04:4e41:5c00:4cf0::1042:5cf0
Signed using mobile

Sent: 3/9/2026 11:29:35 AM
Resent: 3/9/2026 5:58:52 PM
Viewed: 3/10/2026 11:14:38 AM
Signed: 3/10/2026 11:14:44 AM

Electronic Record and Signature Disclosure:

Accepted: 3/10/2026 11:14:38 AM
ID: a7cd2770-9f2e-4ecc-bb53-b3f8d350eea1

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/9/2026 11:29:36 AM
Envelope Updated	Security Checked	3/10/2026 11:35:27 AM
Certified Delivered	Security Checked	3/10/2026 11:14:38 AM
Signing Complete	Security Checked	3/10/2026 11:14:44 AM
Completed	Security Checked	3/10/2026 11:35:27 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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

Getting paper copies

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

Withdrawing your consent

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

Consequences of changing your mind

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

All notices and disclosures will be sent to you electronically

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

How to contact CliftonLarsonAllen LLP:

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

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

To advise CliftonLarsonAllen LLP of your new email address

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

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

To request paper copies from CliftonLarsonAllen LLP

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

To withdraw your consent with CliftonLarsonAllen LLP

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

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

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

Required hardware and software

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

Acknowledging your access and consent to receive and sign documents electronically

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

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

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

Application for Exemption From Audit Short Form

Instructions

If either revenues or expenditures exceed \$200,000, use the Long Form

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 in the year.

Exemptions from audit are **NOT automatic**

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Short Form must be a person skilled in governmental accounting.

Read **ALL instructions before completing and submitting this form**

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**.

Proprietary Activity should be reported on a **Budgetary Basis**.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

Checklist

- ☐ Has the preparer signed the application prior to board approval?
 - ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
 - ☐ Has the application been **personally** reviewed and approved by the governing body?
 - ☐ Are all sections on the form complete, including responses to all of the questions?
 - ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically? ☐ Yes ☐ No
- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

☐ If yes, have you included a resolution?☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ☐ Yes ☐ No☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?**Filing Methods****Web Portal (recommended)**apps.leg.co.gov/osa/lq

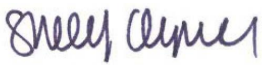
For faster processing, the web portal should be used for submissions.

Mail**Office of the State Auditor**Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000**Questions? Email:** osa.lg@coleg.gov **Phone:** 303-869-3000**Contact Information**For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	The Canyons Metropolitan District No. 2
Street address	2001 16th Street, Suite 1700
City, State, Zip	Denver CO, 80202
Contact person	Shelby Clymer
Phone	(303) 779-5710
Email	shelby.clymer@claconnect.com

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. The preparer must sign prior to board approval.

Name	Shelby Clymer
Title	Accountant for the District
Firm name (if applicable)	CliftonLarsonAllen LLP
Address	2001 16th Street, Suite 1700, Denver, CO 80202
Phone	(303) 779-5710
Preparer signature	Date prepared
	3/5/26

See accompanying letter at the end of this form.

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 1: Revenues

Part 1A: Revenues Table

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	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	\$ 93,734
1-2	Specific ownership	\$ 7,215
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21		
1-22		
1-23		
1-24		
1-25	TOTAL REVENUES (add lines 1-1 through 1-24)	\$ 100,948

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 1B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 2: Expenditures/Expenses

Part 2A: Expenditures/Expenses Table

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	Total (round to nearest dollar)
2-1	Administrative	
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	
2-7	Accounting and legal fees	
2-8	Repair and maintenance	
2-9	Supplies	
2-10	Utilities and telephone	
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	
2-18	Debt service interest	
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24	County Treasurer's Fees	\$ 1,406
2-25	Transfers to Canyons MD No. 1	\$ 99,542
2-26		
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 100,948

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 2B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 3: Debt Outstanding, Issued, and Retired

3-1	Does the entity have outstanding debt?	☐ Yes	☒ No
3-2	If no, skip to line 3-13. If yes, please attach a copy of the entity's debt repayment schedule.		
3-3	Is the debt repayment schedule attached?	☐ N/A	☐ Yes ☐ No
	If no, MUST explain below.		
3-4	Is the entity current in its debt service payments?	☐ Yes	☐ No
	If no, MUST explain below.		
3-5	If no, also indicate if the government is in default with its bond agreements.	☐ Yes	☐ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.

Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
3-6	General Obligation Bonds				\$ 0
3-7	Revenue Bonds				\$ 0
3-8	Notes/Loans				\$ 0
3-9	Lease & SBITA** Liabilities (GASB 87 & 96)				\$ 0
3-10	Developer Advances				\$ 0
	Other (specify in line 3-11)				
3-11					\$ 0
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	☒ Yes	☐ No
3-14	If yes, how much?	\$ 2,260,000,000	
3-15	Date the debt was authorized	11/4/2014	
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	☒ Yes	☐ No
3-17	If yes, how much?	\$ 226,000,000	
3-18	Date of the most recent Service Plan	11/9/2021	
3-19	Does the entity intend to issue debt within the next calendar year?	☐ Yes	☒ No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	☐ Yes	☒ No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	☐ Yes	☒ No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	☐ Yes	☒ No
3-28	What are the annual lease payments?		

Please use the space below to provide any additional information (optional):

Part 4: Cash and Investments

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

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	\$ 0
4-2	Certificates of deposit	
4-3	TOTAL CASH DEPOSITS (Add lines 4-1 and 4-2)	\$ 0
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4		
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 0
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 0

4-11	Are the entity’s investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☒ N/A	☐ Yes	☐ No
4-12	Are the entity’s deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	☐ Yes	☒ No	
4-13	If no, MUST explain below. N/A - The District has no deposits.			

Please use the space below to provide any additional information (optional).

Part 5: Capital and Right-to-Use Assets

5-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 5.)	☐ Yes	☒ No
5-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	☐ Yes	☐ No
5-3	If no, MUST explain below.		

Capital and Right-to-Use Assets Table

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
5-4	Land				\$ 0
5-5	Buildings				\$ 0
5-6	Machinery and Equipment				\$ 0
5-7	Furniture and Fixtures				\$ 0
5-8	Infrastructure				\$ 0
5-9	Construction In Progress (CIP)				\$ 0
5-10	Leased & SBITA Right-to-Use Assets				\$ 0
	Other (explain in line 5-11)				
5-11					\$ 0
5-12	Accumulated Depreciation/ Amortization (Enter a negative or credit balance)				\$ 0
5-13	TOTAL (Add lines 5-4 through 5-12)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance

**Generally capital asset additions should be reported as capital outlay on line 2-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 6: Pension Information

6-1	Does the entity have an “old hire” firefighters’ pension plan?	☐ Yes	☒ No
6-2	Does the entity have a volunteer firefighters’ pension plan?	☐ Yes	☒ No
6-3	If yes, who administers the plan?		
	Indicate the contributions from the following in lines 6-4 through 6-6.		
6-4	Tax (property, specific ownership, sales, etc.)		
6-5	State contribution amount		
6-6	Other (gifts, donations, etc.)		
6-7	TOTAL (Add lines 6-4 through 6-6)	\$ 0	
6-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

Part 7: Budget Information

7-1	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.?	☐ N/A	☒ Yes	☐ No
7-2	If no, MUST explain below.			
7-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	☐ N/A	☒ Yes	☐ No
7-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund Table

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported.
Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	\$ 101,233
7-6		
7-7		
7-8		
7-9		

Please use the space below to provide any additional information (optional).

Part 8: Taxpayer’s Bill of Rights (TABOR)

8-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	☒ Yes	☐ No
8-2	If no, MUST explain below.		

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

Please use the space below to provide any additional information (optional).

Part 9: General Information

9-1	Is this application for a newly formed governmental entity?	☐ Yes	☒ No
9-2	If yes, what was the date of formation		
9-3	Has the entity changed its name in the past or current year?	☐ Yes	☒ No
9-4	If yes, please list the NEW name below.		
9-5	If yes, please list the PRIOR name below.		
9-6	Is the entity a metropolitan district?	☒ Yes	☐ No
9-7	Please indicate what services the entity provides below. Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks and recreation, transportation, television translation, and fire protection/emergency medical services.		
9-8	Does the entity have an agreement with another government to provide services?	☒ Yes	☐ No
9-9	If yes, list the name of the other governmental entity and the services provided below. Consolidated service plan with The Canyons Metropolitan District Nos. 1, 3-5, and 8-11.		
9-10	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
9-11	If yes, what was the date filed		
9-12	Does the entity have a certified mill levy?	☒ Yes	☐ No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report \$ amounts.)		
9-13	Bond redemption mills		
9-14	General/other mills	71.732	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	71.732	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
9-17	If no, please explain below.		

Please use the space below to provide any additional information (optional).

--

Part 10: Governing Body Approval

10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	☒ Yes	☐ No
------	--	--------------------------------------	--------------------------

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

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:

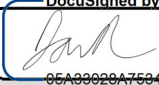
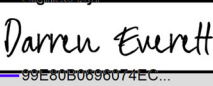
- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be 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 must note their approval and submit the application using one of the following two methods:

- 1) Submit the application in hard copy via U.S. 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.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Jonathan Alpert	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	 DocuSigned by: 05A93828A753458...	3/9/2026
Board Member 2		
Board member's name	Darren Everett	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	 Signed by: 99E80B0696074EC...	3/9/2026
Board Member 3		
Board member's name	Brian Alpert	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 4		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date



March 5, 2026

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

The accompanying Application for Exemption from Audit ("Application") was prepared by CliftonLarsonAllen, LLP in a format prescribed by the Colorado Office of the State Auditor which may differ from accounting principles generally accepted in the United States of America. The application 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.

Certificate Of Completion

Envelope Id: 7C8EE476-9AF6-43D9-B454-3A50D50DF31F
 Subject: Complete with Docusign: CMD2 2025 Audit Exemption.pdf
 Client Name: Canyons MD 2
 Client Number: A520181
 Source Envelope:
 Document Pages: 17
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Completed
 Envelope Originator:
 Sandy Brandenburger
 220 S 6th St Ste 300
 Minneapolis, MN 55402-1418
 Sandy.Brandenburger@claconnect.com
 IP Address: 4.8.249.58

Record Tracking

Status: Original
 3/9/2026 11:29:42 AM
 Holder: Sandy Brandenburger
 Sandy.Brandenburger@claconnect.com
 Location: DocuSign

Signer Events

Darren Everett
 darren@twoarrowsgroup.com
 TAG Zuni LLC
 Manager
 Security Level: Email, Account Authentication
 (None)

Signature

Signed by:

 99E80B0696074EC...
 Signature Adoption: Pre-selected Style
 Using IP Address:
 2603:300b:739:3200:28e4:bae8:cef5:2a30

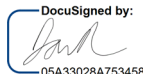
Timestamp

Sent: 3/9/2026 11:32:03 AM
 Viewed: 3/9/2026 2:00:45 PM
 Signed: 3/9/2026 2:00:53 PM

Electronic Record and Signature Disclosure:

Accepted: 3/9/2026 2:00:45 PM
 ID: e8b7edf2-5798-457c-ae87-bf20fd5691f1

Jonathan Alpert
 jalpert@alpertcorp.com
 Security Level: Email, Account Authentication
 (None)

DocuSigned by:

 05A33028A753458...
 Signature Adoption: Drawn on Device
 Using IP Address: 50.208.11.73

Sent: 3/9/2026 11:32:04 AM
 Viewed: 3/9/2026 2:00:58 PM
 Signed: 3/9/2026 2:01:05 PM

Electronic Record and Signature Disclosure:

Accepted: 3/9/2026 2:00:58 PM
 ID: e013a5e1-e777-4e50-8ee8-ee86d9e5856d

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/9/2026 11:32:05 AM
Envelope Updated	Security Checked	3/9/2026 3:09:47 PM
Certified Delivered	Security Checked	3/9/2026 2:00:58 PM
Signing Complete	Security Checked	3/9/2026 2:01:05 PM
Completed	Security Checked	3/9/2026 3:09:47 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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

Getting paper copies

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

Withdrawing your consent

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

Consequences of changing your mind

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

All notices and disclosures will be sent to you electronically

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

How to contact CliftonLarsonAllen LLP:

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

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

To advise CliftonLarsonAllen LLP of your new email address

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

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

To request paper copies from CliftonLarsonAllen LLP

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

To withdraw your consent with CliftonLarsonAllen LLP

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

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

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

Required hardware and software

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

Acknowledging your access and consent to receive and sign documents electronically

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

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

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

Application for Exemption From Audit Short Form

Instructions

If either revenues or expenditures exceed \$200,000, use the Long Form

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$1,000,000 in the year.

Exemptions from audit are NOT automatic

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Short Form must be a person skilled in governmental accounting.

Read ALL instructions before completing and submitting this form

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis**.

Proprietary Activity should be reported on a **Budgetary Basis**.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the [LexisNexis Colorado portal](#).

Checklist

- ☐ Has the preparer signed the application prior to board approval?
 - ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
 - ☐ Has the application been **personally** reviewed and approved by the governing body?
 - ☐ Are all sections on the form complete, including responses to all of the questions?
 - ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically? ☐ Yes ☐ No
- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

☐ If yes, have you included a resolution?

☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?

☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ☐ Yes ☐ No

☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lq

For faster processing, the web portal should be used for submissions.

Mail

Office of the State Auditor

Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000

Questions? Email: osa.lg@coleg.gov Phone: 303-869-3000

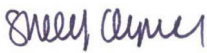
Contact Information

For the year ended 12/31/2025 or the fiscal year ended _____.

Name of government	The Canyons Metropolitan District No. 4
Street address	2001 16th Street, Suite 1700
City, State, Zip	Denver CO, 80202
Contact person	Shelby Clymer
Phone	(303) 779-5710
Email	shelby.clymer@claconnect.com

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. The preparer must sign prior to board approval.

Name	Shelby Clymer
Title	Accountant for the District
Firm name (if applicable)	CliftonLarsonAllen LLP
Address	2001 16th Street, Suite 1700, Denver CO, 80202
Phone	(303) 779-5710
Preparer signature	Date prepared
	3/5/26

See accompanying letter at the end of this form.

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 1: Revenues

Part 1A: Revenues Table

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	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	\$ 2,276
1-2	Specific ownership	\$ 175
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	\$ 2
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21		
1-22		
1-23		
1-24		
1-25	TOTAL REVENUES (add lines 1-1 through 1-24)	\$ 2,452

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 1B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 2: Expenditures/Expenses

Part 2A: Expenditures/Expenses Table

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	Total (round to nearest dollar)
2-1	Administrative	
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	
2-7	Accounting and legal fees	
2-8	Repair and maintenance	
2-9	Supplies	
2-10	Utilities and telephone	
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	
2-18	Debt service interest	
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24	County Treasurer's Fees	\$ 34
2-25	Transfers to Canyons MD No. 1	\$ 2,418
2-26		
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 2,452

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN \$200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 2B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 3: Debt Outstanding, Issued, and Retired

3-1	Does the entity have outstanding debt?	☐ Yes	☒ No
3-2	If no, skip to line 3-13. If yes, please attach a copy of the entity's debt repayment schedule.		
3-3	Is the debt repayment schedule attached?	☐ N/A	☐ Yes ☐ No
	If no, MUST explain below.		
3-4	Is the entity current in its debt service payments?	☐ Yes	☐ No
	If no, MUST explain below.		
3-5	If no, also indicate if the government is in default with its bond agreements.	☐ Yes	☐ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.

Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
3-6	General Obligation Bonds				\$ 0
3-7	Revenue Bonds				\$ 0
3-8	Notes/Loans				\$ 0
3-9	Lease & SBITA** Liabilities (GASB 87 & 96)				\$ 0
3-10	Developer Advances				\$ 0
	Other (specify in line 3-11)				
3-11					\$ 0
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	☒ Yes	☐ No
3-14	If yes, how much?	\$ 2,260,000,000	
3-15	Date the debt was authorized	11/4/2014	
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	☒ Yes	☐ No
3-17	If yes, how much?	\$ 226,000,000	
3-18	Date of the most recent Service Plan	11/9/2021	
3-19	Does the entity intend to issue debt within the next calendar year?	☐ Yes	☒ No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	☐ Yes	☒ No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	☐ Yes	☒ No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	☐ Yes	☒ No
3-28	What are the annual lease payments?		

Please use the space below to provide any additional information (optional):

Part 4: Cash and Investments

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

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	\$ 0
4-2	Certificates of deposit	
4-3	TOTAL CASH DEPOSITS (Add lines 4-1 and 4-2)	\$ 0
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4		
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 0
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 0

4-11	Are the entity’s investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☒ N/A	☐ Yes	☐ No
4-12	Are the entity’s deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	☐ Yes	☒ No	
4-13	If no, MUST explain below. N/A - The District has no deposits.			

Please use the space below to provide any additional information (optional).

Part 5: Capital and Right-to-Use Assets

5-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 5.)	☐ Yes	☒ No
5-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	☐ Yes	☐ No
5-3	If no, MUST explain below.		

Capital and Right-to-Use Assets Table

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
5-4	Land				\$ 0
5-5	Buildings				\$ 0
5-6	Machinery and Equipment				\$ 0
5-7	Furniture and Fixtures				\$ 0
5-8	Infrastructure				\$ 0
5-9	Construction In Progress (CIP)				\$ 0
5-10	Leased & SBITA Right-to-Use Assets				\$ 0
	Other (explain in line 5-11)				
5-11					\$ 0
5-12	Accumulated Depreciation/ Amortization (Enter a negative or credit balance)				\$ 0
5-13	TOTAL (Add lines 5-4 through 5-12)	\$ 0	\$ 0	\$ 0	\$ 0

*Must agree to prior year-end balance

**Generally capital asset additions should be reported as capital outlay on line 2-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 6: Pension Information

6-1	Does the entity have an "old hire" firefighters' pension plan?	☐ Yes	☒ No
6-2	Does the entity have a volunteer firefighters' pension plan?	☐ Yes	☒ No
6-3	If yes, who administers the plan?		
Indicate the contributions from the following in lines 6-4 through 6-6.			
6-4	Tax (property, specific ownership, sales, etc.)		
6-5	State contribution amount		
6-6	Other (gifts, donations, etc.)		
6-7	TOTAL (Add lines 6-4 through 6-6)	\$ 0	
6-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

Part 7: Budget Information

7-1	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.?	☐ N/A	☒ Yes	☐ No
7-2	If no, MUST explain below.			
7-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	☐ N/A	☒ Yes	☐ No
7-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund Table

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported.
Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	\$ 2,481
7-6		
7-7		
7-8		
7-9		

Please use the space below to provide any additional information (optional).

Part 8: Taxpayer’s Bill of Rights (TABOR)

8-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	☒ Yes	☐ No
8-2	If no, MUST explain below.		

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

Please use the space below to provide any additional information (optional).

Part 9: General Information

9-1	Is this application for a newly formed governmental entity?	☐ Yes	☒ No
9-2	If yes, what was the date of formation		
9-3	Has the entity changed its name in the past or current year?	☐ Yes	☒ No
9-4	If yes, please list the NEW name below.		
9-5	If yes, please list the PRIOR name below.		
9-6	Is the entity a metropolitan district?	☒ Yes	☐ No
9-7	Please indicate what services the entity provides below. Streets, mosquito control, water, traffic control, storm/sanitary sewer, parks & recreation, transportation, television translation, and fire protection/emergency medical services		
9-8	Does the entity have an agreement with another government to provide services?	☒ Yes	☐ No
9-9	If yes, list the name of the other governmental entity and the services provided below. Consolidated Service Plan with The Canyons Metropolitan District Nos. 1-3, 5, and 8-11		
9-10	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
9-11	If yes, what was the date filed		
9-12	Does the entity have a certified mill levy?	☒ Yes	☐ No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report \$ amounts.)		
9-13	Bond redemption mills		
9-14	General/other mills	69.000	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	69.000	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	☐ N/A	☒ Yes ☐ No
9-17	If no, please explain below.		

Please use the space below to provide any additional information (optional).

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Part 10: Governing Body Approval

10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	☒ Yes	☐ No
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Office of the State Auditor — Local Government Division
Exemption Form Electronic Signature Policy and Procedure

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:

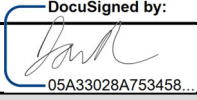
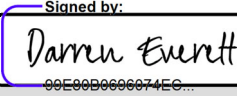
- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be 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 must note their approval and submit the application using one of the following two methods:

- 1) Submit the application in hard copy via U.S. 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.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Jonathan Alpert	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/10/2026
Board Member 2		
Board member's name	Brian Alpert	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 3		
Board member's name	Darren Everett	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/9/2026
Board Member 4		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date



March 5, 2026

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

The accompanying Application for Exemption from Audit ("Application") was prepared by CliftonLarsonAllen, LLP in a format prescribed by the Colorado Office of the State Auditor which may differ from accounting principles generally accepted in the United States of America. The application 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.

Certificate Of Completion

Envelope Id: A5143314-ABFE-4A3E-999F-3D8963D068C3
 Subject: Complete with Docusign: CMD4 2025 Audit Exemption.pdf
 Client Name: Canyons MD 4
 Client Number: A520181
 Source Envelope:
 Document Pages: 17
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Completed
 Envelope Originator:
 Sandy Brandenburger
 220 S 6th St Ste 300
 Minneapolis, MN 55402-1418
 Sandy.Brandenburger@claconnect.com
 IP Address: 4.8.249.58

Record Tracking

Status: Original
 3/9/2026 11:32:20 AM
 Holder: Sandy Brandenburger
 Sandy.Brandenburger@claconnect.com
 Location: DocuSign

Signer Events

Darren Everett
 darren@twoarrowsgroup.com
 TAG Zuni LLC
 Manager
 Security Level: Email, Account Authentication
 (None)

Signature

Signed by:

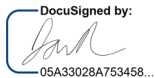
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Timestamp

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 Signed: 3/9/2026 2:01:25 PM

Electronic Record and Signature Disclosure:
 Accepted: 3/9/2026 2:01:12 PM
 ID: aa051673-aa5e-43df-914d-f076195a0729

Jonathan Alpert
 jalpert@alpertcorp.com
 Security Level: Email, Account Authentication
 (None)

DocuSigned by:

 05A33028A753458...
 Signature Adoption: Drawn on Device
 Using IP Address: 2a02:26f7:cd4c:7402:0:e000:0:12
 Signed using mobile

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 Viewed: 3/10/2026 11:15:06 AM
 Signed: 3/10/2026 11:15:12 AM

Electronic Record and Signature Disclosure:
 Accepted: 3/10/2026 11:15:06 AM
 ID: 5e0b8fd6-fcd3-4010-9297-0ded54801414

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/9/2026 11:35:09 AM
Envelope Updated	Security Checked	3/10/2026 11:35:58 AM
Certified Delivered	Security Checked	3/10/2026 11:15:06 AM
Signing Complete	Security Checked	3/10/2026 11:15:12 AM
Completed	Security Checked	3/10/2026 11:35:58 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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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.

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

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

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