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Accountant's Compilation Report

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

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

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

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

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

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 25, 2014

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

11/25/2014

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

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

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

11/25/2014

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

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

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

Services Provided

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

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

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

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

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

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

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

Revenue

Property Taxes

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

Specific Ownership Tax

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

Expenditures

County Treasurer's Fees

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

Intergovernmental Expenditures

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

Debt and Leases

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

Reserves

Emergency Reserves

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

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