

**CANYON CREEK METROPOLITAN DISTRICT NOS. 1-3
2025 CONSOLIDATED ANNUAL REPORT**

Pursuant to the Consolidated Service Plan for Canyon Creek Metropolitan District Nos. 1-3 (collectively, the “**Districts**”) and Section 32-1-207(3)(c), C.R.S., the Districts are required to provide an annual report to the City of Colorado Springs with regard to the following matters:

To the best of our actual knowledge, for the year ending December 31, 2025, the Districts make the following report:

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

District No. 2 recorded Order for Exlcusion (43 and 45 E. Ramona Ave.) on August 11, 2025; and

District No. 2 recorded Order for Exlcusion (Tract B and Tract F, Ivywild Townhouses) on August 11, 2025; such Orders are attached hereto as **Exhibit A**.

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

The Districts neither entered into nor proposed any intergovernmental agreements in 2025.

3. Access information to obtain copies of the Districts’ rules and regulations, if any, as of December 31st of the prior year.

The Districts have not adopted any rules and regulations as of December 31, 2025. Governing documents may be found on the Districts’ website at:
www.canyoncreekmetrodistricts.com.

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 El Paso County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts as of December 31, 2025.

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

The Districts did not construct public improvements in 2025.

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 31st of the prior year.

The Districts did not construct any improvements that were dedicated to and accepted by the City in 2025.

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

The Districts' 2025 assessed valuations are as follows:

District No. 1: \$16,350 (net);
District No. 2: \$1,385,380 (net); and
District No. 3: \$1,444,650 (net).

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

Copies of the Districts' 2026 budgets are attached as **Exhibit B**.

9. Audit of the Districts' financial statements, for the year ending December 31st of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The Districts are currently exempt from audit. The 2025 audit exemption applications are attached as **Exhibit C**.

10. Notice of any uncured events of noncompliance by the Districts under any Debt instrument which continue beyond a 90-day period.

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 90-day period.

To our actual knowledge, there was no inability of the Districts to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

Not applicable.

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

1. Boundary changes made.

District No. 2 recorded Order for Exlcusion (43 and 45 E. Ramona Ave.) on August 11, 2025; and

District No. 2 recorded Order for Exlcusion (Tract B and Tract F, Ivywild Townhouses) on August 11, 2025; such Orders are attached hereto as **Exhibit A**.

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

The Districts neither entered into or terminated any intergovernmental agreements in 2025

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

The Districts have not adopted any rules and regulations as of December 31, 2025. Governing documents may be found on the Districts' website:
www.canyoncreekmetrodistricts.com.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in El Paso County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts as of December 31, 2025.

5. The status of the construction of public improvements by the District.

The Districts did not construct public improvements in 2025.

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

The Districts did not construct any facilities or improvements that were conveyed or dedicated to the City during 2025.

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

The Districts' 2025 assessed valuations are as follows:

District No. 1: \$16,350 (net);

District No. 2: \$1,385,380 (net); and

District No. 3: \$1,444,650 (net).

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

Copies of the Districts' 2026 budgets are attached as **Exhibit B**.

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 Districts are currently exempt from audit. The 2025 audit exemption applications are attached as **Exhibit C**.

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

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 District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, there was no inability of the Districts to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

EXHIBIT A
Orders for Exclusion

DISTRICT COURT, EL PASO COUNTY, COLORADO		DATE FILED July 9, 2025 4:00 PM
Court Address: 270 South Tejon Street Colorado Springs, Colorado 80903 Telephone: (719) 452-5000		
Petitioner: CANYON CREEK METROPOLITAN DISTRICT NO. 2		
By the Court:		▲ COURT USE ONLY ▲
		Case Number: 2008CV005133 Division: 3 Courtroom: _____
<p style="text-align: center;">ORDER FOR EXCLUSION (Creekwalk North, LLC – Tract B and Tract F, Ivywild Townhomes)</p>		

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

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

2. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. The Property is liable for indebtedness pursuant to the Capital Pledge Agreement, dated June 21, 2018, between the District, Canyon Creek Metropolitan District No. 3, and Colorado Springs Urban Renewal Authority ("CSURA") related to CSURA's issuance of Senior Special Revenue Bonds, Series 2018A in the amount of \$7,290,000 and Subordinate Special Revenue Bonds, Series 2018B in the amount of \$1,074,000.

3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.

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

DONE AND EFFECTIVE THIS 9 day of July 2025.

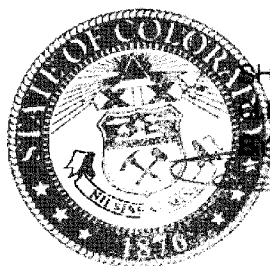
BY THE COURT:



District Court Judge

State of Colorado, County of El Paso
 Certified to be a true and correct
 Copy of the original in my custody.

AUG 05 2025



HERI KING

CLERK OF THE DISTRICT/COUNTY COURT

Deputy

EXHIBIT A
(Legal Description of Exclusion Property)

TRACT B AND TRACT F, IVYWILD TOWNHOMES, IN THE CITY OF COLORADO SPRINGS, COUNTY OF EL PASO, STATE OF COLORADO, ACCORDING TO THE PLAT THEREOF RECORDED IN THE REAL PROPERTY RECORDS OF EL PASO COUNTY ON JULY 21, 2022 AT RECEPTION NUMBER 220714547.

(For Informational Purposes Only: El Paso County Parcel Identification Numbers 6430209061 and 6430209065)

EXHIBIT B
2026 Budgets

CANYON CREEK METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

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

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (24,918)	\$ (14,295)	\$ 1,100
REVENUES			
Developer Advance	28,657	28,899	58,833
Transfer from District 2	20,498	20,377	19,754
Transfer from District 3	14,225	13,402	13,413
Total Revenues	63,380	62,678	92,000
Total Funds Available	38,462	48,383	93,100
EXPENDITURES			
General and Administrative			
Accounting	16,184	16,700	20,000
Dues and Membership	790	820	1,000
Insurance	9,363	8,763	10,000
Legal	25,567	15,500	20,000
Election	253	3,500	-
Website	600	2,000	1,000
Landscaping	-	-	18,000
Snow Removal	-	-	12,000
Utilities	-	-	8,500
Contingency	-	-	1,500
Total Expenditures	52,757	47,283	92,000
Total Expenditures and Transfers Out Requiring Appropriation	52,757	47,283	92,000
ENDING FUND BALANCES	\$ (14,295)	\$ 1,100	\$ 1,100
EMERGENCY RESERVE	\$ 1,100	\$ 1,100	\$ 1,000
TOTAL RESERVE	\$ 1,100	\$ 1,100	\$ 1,100

See summary of significant assumptions.

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

1/12/26

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Vacant Land	\$ 22,740	\$ 22,740	\$ 21,990
Adjustments (TIF)	(5,210)	(5,260)	(5,640)
Certified Assessed Value	<u>\$ 17,530</u>	<u>\$ 17,480</u>	<u>\$ 16,350</u>

MILL LEVY

Total Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
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PROPERTY TAXES

Budgeted Property Taxes	<u>-</u>	<u>-</u>	<u>-</u>
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BUDGETED PROPERTY TAXES

General	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

CANYON CREEK METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Canyon Creek Metropolitan District No.1 (the "District") and Canyon Creek Metropolitan District No 2 and Canyon Creek Metropolitan District No.3 (collectively, the "Districts") were formed under the Consolidated Service Plan approved by the City of Colorado Springs (the "City") on November 4, 2008. The Service Plan was approved by the City Council of the City of Colorado Springs on October 14, 2008.

The Districts' service area is located entirely within the City of Colorado Springs, El Paso County, Colorado. The District was organized to provide financing and construction for the street improvements and drainage with safety protection, portable water and wastewater system, mosquito control, limited covenant enforcement, parks and open space, transportation system, and the operation and maintenance of the District.

The Districts, collectively, are undertaking the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District are clarified in an IGA between and among the Districts. The maximum term of such IGA is forty (40) years from its effective date. Such agreements are design to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of the Service Plan.

District voters approved authorization to increase property taxes up to \$3,000,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$20,000,000 for the execution of the Agreement and \$148,000,000 for repayment cost. 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 District's Service Plan, the amount of debt that can be issued is \$75,000,000 in Limited Tax General Obligation Bonds. Mill levies for debt are capped at 30 mills and operating and maintenance is capped at 10 mills. The total cap is 40 mills, the method of calculating assessed valuation may cause adjustments in the mill levies. All Debt will be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy for all Districts.

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

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.

CANYON CREEK METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Transfer from Other Districts

The District anticipates the collection of taxes in Districts Nos. 2 and 3, which will be transferred to fund administrative and operating expenses.

Expenditures

Administrative and Operating Expenditures

Administrative and operating 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 legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Debt and Leases

The District has no operating or capital leases.

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

Debt and Leases – (continued)

Developer Advances

The District has outstanding Developer advances. The anticipated Developer advances are as follows:

General Fund

	Balance - December 31, 2024	Additions	Reductions	Balance - December 31, 2025*	Additions	Reductions	Balance - December 31, 2026*
Developer Advances:							
Principal	\$ 252,885	\$ 28,899	\$ -	\$ 281,784	\$ 58,833	\$ -	\$ 340,617
Interest	92,277	21,387	-	113,664	24,896	-	138,560
Total	<u>\$ 345,162</u>	<u>\$ 50,286</u>	<u>\$ -</u>	<u>\$ 395,448</u>	<u>\$ 83,729</u>	<u>\$ -</u>	<u>\$ 479,177</u>

Capital Projects Fund

	Balance - December 31, 2024	Additions	Reductions	Balance - December 31, 2025*	Additions	Reductions	Balance - December 31, 2026*
Developer Advances:							
Principal	\$ 1,789	\$ -	\$ -	\$ 1,789	\$ -	\$ -	\$ 1,789
Interest	772	143	-	915	143	-	1,058
Total	<u>\$ 2,561</u>	<u>\$ 143</u>	<u>\$ -</u>	<u>\$ 2,704</u>	<u>\$ 143</u>	<u>\$ -</u>	<u>\$ 2,847</u>

*Estimate

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.

CANYON CREEK METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

CANYON CREEK METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	71,264	72,218	70,441
Specific Ownership Taxes	8,679	9,120	8,986
Interest Income	722	1,115	800
Other Revenue	582	-	8,773
Total Revenues	81,247	82,453	89,000
Total Funds Available	81,247	82,453	89,000
EXPENDITURES			
General Fund	20,767	20,648	23,000
Debt Service Fund	60,480	61,805	66,000
Total Expenditures	81,247	82,453	89,000
Total Expenditures and Transfers Out Requiring Appropriation	81,247	82,453	89,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

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

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	\$ 1,509,710	\$ 1,582,050	\$ 1,755,240
Vacant Land	278,720	278,720	108,570
	1,788,430	1,860,770	1,863,810
Adjustments (TIF)	(409,620)	(459,150)	(478,430)
Certified Assessed Value	<u>\$ 1,378,810</u>	<u>\$ 1,401,620</u>	<u>\$ 1,385,380</u>
MILL LEVY			
General	12.921	12.881	12.619
Debt Service	38.765	38.644	37.859
Total Mill Levy	<u>51.686</u>	<u>51.525</u>	<u>50.478</u>
PROPERTY TAXES			
General	\$ 17,816	\$ 18,054	\$ 17,482
Debt Service	53,450	54,164	52,449
Levied Property Taxes	71,266	72,218	69,931
Adjustments to Actual/Rounding	(2)	-	-
Budgeted Property Taxes	<u>\$ 71,264</u>	<u>\$ 72,218</u>	<u>\$ 69,931</u>
ASSESSED VALUATION			
Vacant Land	\$ -	\$ -	\$ 21,280
	-	-	21,280
Adjustments (TIF)	-	-	(5,460)
Certified Assessed Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,820</u>
MILL LEVY			
Debt Service	0.000	0.000	32.222
Total Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>32.222</u>
PROPERTY TAXES			
Debt Service	\$ -	\$ -	\$ 510
Levied Property Taxes	-	-	510
Adjustments to Actual/Rounding	-	-	-
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510</u>
BUDGETED PROPERTY TAXES			
General	\$ 17,815	\$ 18,054	\$ 17,482
Debt Service	53,449	54,164	52,959
	<u>\$ 71,264</u>	<u>\$ 72,218</u>	<u>\$ 70,441</u>

See summary of significant assumptions.

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

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	17,815	18,054	17,482
Specific Ownership Taxes	2,170	2,280	2,234
Interest Income	200	314	300
Other Revenue	582	-	2,984
Total Revenues	20,767	20,648	23,000
Total Funds Available	20,767	20,648	23,000
EXPENDITURES			
County Treasurer's Fee	269	271	262
Transfer to District 1	20,498	20,377	19,754
Contingency	-	-	2,984
Total Expenditures	20,767	20,648	23,000
Total Expenditures and Transfers Out Requiring Appropriation	20,767	20,648	23,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

CANYON CREEK METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	<div> <div>ACTUAL</div> <div>2024</div> </div>	<div> <div>ESTIMATED</div> <div>2025</div> </div>	<div> <div>BUDGET</div> <div>2026</div> </div>
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	53,449	54,164	52,959
Specific Ownership Taxes	6,509	6,840	6,752
Interest Income	522	801	500
Other Revenue	-	-	5,789
Total Revenues	60,480	61,805	66,000
Total Funds Available	60,480	61,805	66,000
EXPENDITURES			
County Treasurer's Fee	806	812	787
Transfer to CSURA	59,674	60,993	59,424
Contingency	-	-	5,789
Total Expenditures	60,480	61,805	66,000
Total Expenditures and Transfers Out Requiring Appropriation	60,480	61,805	66,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

CANYON CREEK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Canyon Creek Metropolitan District No.2 (the "District") and Canyon Creek Metropolitan District No 1 and Canyon Creek Metropolitan District No.3 (collectively, the "Districts") were formed under the Consolidated Service Plan approved by the City of Colorado Springs (the "City") on November 4, 2008. The Service Plan was approved by the City Council of the City of Colorado Springs on October 14, 2008.

The Districts' service area is located entirely within the City of Colorado Springs, El Paso County, Colorado. The District was organized to provide financing and construction for the street improvements and drainage with safety protection, portable water and wastewater system, mosquito control, limited covenant enforcement, parks and open space, transportation system, and the operation and maintenance of the District.

The Districts, collectively, are undertaking the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District are clarified in an IGA between and among the Districts. The maximum term of such IGA is forty (40) years from its effective date. Such agreements are design to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of the Service Plan.

District voters approved authorization to increase property taxes up to \$3,000,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$20,000,000 for the execution of the Agreement and \$148,000,000 for repayment cost. 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 District's Service Plan, the amount of debt that can be issued is \$75,000,000 in Limited Tax General Obligation Bonds. Mill levies for debt are capped at 30 mills and operating and maintenance is capped at 10 mills. The total cap is 40 mills, the method of calculating assessed valuation may cause adjustments in the mill levies. All Debt will be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy for all Districts.

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

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.

CANYON CREEK 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 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, 2025, the adjusted maximum mill levy for debt service is 37.795 mills. 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 and interest on the Bonds as the same become due and payable.

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

For property tax collection year 2026, HB24B-1001 set the assessment rates 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%

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 9.50% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

CANYON CREEK METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Administrative and Operating Expenditures

Administrative and operating 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 legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

County Treasurer's Collection Fees

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

Transfer to Canyon Creek MD No.1

Transfer to Canyon Creek Metropolitan District (MD) No.1 is to provide funding for the overall administrative and operating costs, as well as capital infrastructure costs for the Districts.

Transfer to CSURA

In 2018, the Colorado Spring Urban Renewal Authority (CSURA) issued Bonds. Bond proceeds will be used to pay for South Nevada Ivywild Development Project.

Pursuant to an Agreement with CSURA, the District transfers pledged revenues from the Debt Service Fund for the payment of principal and interest on the CSURA 2018 Bonds.

Debt and Leases

The District has no 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 funds received by the District are transferred to District No. 1, which pays for all four Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

This information is an integral part of the accompanying budget.

CANYON CREEK METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

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

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	48,840	47,134	58,877
Specific Ownership Taxes	5,917	5,918	5,593
Interest Income	1,075	1,098	300
Other Revenue	419	-	10,230
Total Revenues	56,251	54,150	75,000
Total Funds Available	56,251	54,150	75,000
EXPENDITURES			
General Fund	14,411	13,582	17,000
Debt Service Fund	41,840	40,568	58,000
Total Expenditures	56,251	54,150	75,000
Total Expenditures and Transfers Out Requiring Appropriation	56,251	54,150	75,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

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

1/12/26

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
----------------	-------------------	----------------

ASSESSED VALUATION

Commercial	\$ 1,380,320	\$ 1,360,260	\$ 1,691,490
Vacant Land	110,620	110,620	252,060
	1,490,940	1,470,880	1,943,550
Adjustments (TIF)	(341,480)	(362,950)	(498,900)
Certified Assessed Value	\$ 1,149,460	\$ 1,107,930	\$ 1,444,650

MILL LEVY

General	10.569	10.571	8.533
Debt Service	31.707	31.715	32.222
Total Mill Levy	42.276	42.286	40.755

PROPERTY TAXES

General	\$ 12,149	\$ 11,712	\$ 12,327
Debt Service	36,446	35,138	46,550
Levied Property Taxes	48,595	46,850	58,877
Adjustments to Actual/Rounding	253	284	-
Refunds and Abatements	(8)	-	-
Budgeted Property Taxes	\$ 48,840	\$ 47,134	\$ 58,877

BUDGETED PROPERTY TAXES

General	\$ 12,210	\$ 11,783	\$ 12,327
Debt Service	36,630	35,351	46,550
	\$ 48,840	\$ 47,134	\$ 58,877

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

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	12,210	11,783	12,327
Specific Ownership Taxes	1,479	1,480	1,171
Interest Income	303	319	100
Other Revenue	419	-	3,402
Total Revenues	14,411	13,582	17,000
Total Funds Available	14,411	13,582	17,000
EXPENDITURES			
County Treasurer's Fee	186	180	185
Transfer to District 1	14,225	13,402	13,413
Contingency	-	-	3,402
Total Expenditures	14,411	13,582	17,000
Total Expenditures and Transfers Out Requiring Appropriation	14,411	13,582	17,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

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

1/12/26

	<div> <div>ACTUAL</div> <div>2024</div> </div>	<div> <div>ESTIMATED</div> <div>2025</div> </div>	<div> <div>BUDGET</div> <div>2026</div> </div>
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	36,630	35,351	46,550
Specific Ownership Taxes	4,438	4,438	4,422
Interest Income	772	779	200
Other Revenue	-	-	6,828
Total Revenues	41,840	40,568	58,000
Total Funds Available	41,840	40,568	58,000
EXPENDITURES			
County Treasurer's Fee	558	540	698
Transfer to CSURA	41,282	40,028	50,474
Contingency	-	-	6,828
Total Expenditures	41,840	40,568	58,000
Total Expenditures and Transfers Out Requiring Appropriation	41,840	40,568	58,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

CANYON CREEK METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Canyon Creek Metropolitan District No.3 (the "District") and Canyon Creek Metropolitan District No 1 and Canyon Creek Metropolitan District No.2 (collectively, the "Districts") were formed under the Consolidated Service Plan approved by the City of Colorado Springs (the "City") on November 4, 2008. The Service Plan was approved by the City Council of the City of Colorado Springs on October 14, 2008.

The Districts' service area is located entirely within the City of Colorado Springs, El Paso County, Colorado. The District was organized to provide financing and construction for the street improvements and drainage with safety protection, portable water and wastewater system, mosquito control, limited covenant enforcement, parks and open space, transportation system, and the operation and maintenance of the District.

The Districts, collectively, are undertaking the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District are clarified in an IGA between and among the Districts. The maximum term of such IGA is forty (40) years from its effective date. Such agreements are design to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of the Service Plan.

District voters approved authorization to increase property taxes up to \$3,000,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$20,000,000 for the execution of the Agreement and \$148,000,000 for repayment cost. 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 District's Service Plan, the amount of debt that can be issued is \$75,000,000 in Limited Tax General Obligation Bonds. Mill levies for debt are capped at 30 mills and operating and maintenance is capped at 10 mills. The total cap is 40 mills, the method of calculating assessed valuation may cause adjustments in the mill levies. All Debt will be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy for all Districts.

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

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.

CANYON CREEK 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, 2025, the adjusted maximum mill levy for debt service is 32.222 mills. 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 and interest on the Bonds as the same become due and payable.

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

For property tax collection year 2026, HB24B-1001 set the assessment rates 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%

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 9.50% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

**CANYON CREEK METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Administrative and operating 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 legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

County Treasurer's Collection Fees

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

Transfer to Canyon Creek MD No.1

Transfer to Canyon Creek Metropolitan District (MD) No.1 is to provide funding for the overall administrative and operating costs, as well as capital infrastructure costs for the Districts.

Transfer to CSURA

In 2018, the Colorado Spring Urban Renewal Authority (CSURA) issued Bonds. Bond proceeds will be used to pay for South Nevada Ivywild Development Project. Pursuant to an Agreement with CSURA, the District transfers pledged revenues from the Debt Service Fund for the payment of principal and interest on the CSURA 2018 Bonds.

Debt and Leases

The District has no 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 funds received by the District are transferred to District No. 1, which pays for all four Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

This information is an integral part of the accompanying budget.

EXHIBIT C
2025 Audit Exemption Applications

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	Canyon Creek Metropolitan District No. 1
Street address	121 S Tejon Street, Suite 1100
City, State, Zip	Colorado Springs, CO 80903
Contact person	Seef Le Roux
Phone	719-635-0330
Email	seef.leroux@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	Seef Le Roux
Title	Accountant for the District
Firm name (if applicable)	CliftonLarsonAllen LLP
Address	121 S Tejon Street, Suite 1100, Colorado Springs, CO 80903
Phone	719-635-0330
Preparer signature	Date prepared
	2/26/2026

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)	
1-2	Specific ownership	
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')	\$ 30,000
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	Transfer from Canyon Creek Metro District No. 2	\$ 20,364
1-22	Transfer from Canyon Creek Metro District No. 3	\$ 13,405
1-23		
1-24		
1-25	TOTAL REVENUES (add lines 1-1 through 1-24)	\$ 63,769

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	\$ 5,508
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	\$ 8,763
2-7	Accounting and legal fees	\$ 34,072
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		
2-25		
2-26		
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 48,343

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. Developer advances are only repaid if and when the District has eligible funds available for repayment.		
3-4	Is the entity current in its debt service payments?	☐ Yes	☒ No
	If no, MUST explain below. Developer advances are only repaid if and when the District has eligible funds available for repayment.		
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	\$ 254,674	\$ 30,000		\$ 284,674
	Other (specify in line 3-11)				
3-11	Accrued Interest on Dev.Advances	\$ 93,049	\$ 21,789		\$ 114,838
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 347,723	\$ 51,789	\$ 0	\$ 399,512

*Must agree to prior year-end balance

**Subscription-Based Information Technology Arrangements

Comments (optional)

Developer advances are only repaid if and when the District has eligible funds available for repayment.

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?	\$ 200,000,000	
3-15	Date the debt was authorized	11/4/2008	
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?	\$ 75,000,000	
3-18	Date of the most recent Service Plan	10/14/2008	
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	\$ 10,320
4-2	Certificates of deposit	
4-3	TOTAL CASH DEPOSITS (Add lines 4-1 and 4-2)	\$ 10,320
	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)	\$ 10,320

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.			

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.		
	The District's capital assets consists of landscaping and infrastructure.		

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	\$ 60,988			\$ 60,988
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)	-\$ 36,593	-\$ 6,098		-\$ 42,691
5-13	TOTAL (Add lines 5-4 through 5-12)	\$ 24,395	-\$ 6,098	\$ 0	\$ 18,297

*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	<div>TOTAL (Add lines 6-4 through 6-6)</div>	\$ 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	\$ 115,500
7-6	Capital Projects Fund	\$ 3,000,000
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.		
	Roads and utility lines to be dedicated to the City of Colorado Springs		
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.		
	Intergovernmental Agreement with Canyon Creek Metropolitan District No. 2 and 3		
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	0.000	
9-14	General/other mills	0.000	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	0.000	
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).

--

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:

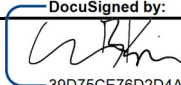
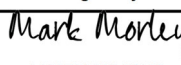
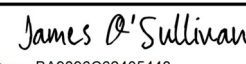
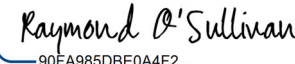
- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be 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	Kenneth Kurica	
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
	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <small>DocuSigned by:</small>  <small>39D75CE76D2D4A7...</small> </div>	3/4/2026
Board Member 2		
Board member's name	Mark Morley	
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
	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <small>DocuSigned by:</small>  <small>A482704C0D97433...</small> </div>	3/4/2026
Board Member 3		
Board member's name	James O'Sullivan	
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
	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <small>Signed by:</small>  <small>BA9896C62405448...</small> </div>	3/5/2026
Board Member 4		
Board member's name	Raymond O'Sullivan	
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
	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <small>DocuSigned by:</small>  <small>90FA985DBE0A4F2...</small> </div>	3/5/2026
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

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	Canyon Creek Metropolitan District No. 2
Street address	121 S Tejon Street, Suite 1100
City, State, Zip	Colorado Springs, CO 80903
Contact person	Seef Le Roux
Phone	719-635-0330
Email	seef.leroux@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	Seef Le Roux
Title	Accountant for the District
Firm name (if applicable)	CliftonLarsonAllen LLP
Address	121 S Tejon Street, Suite 1100, Colorado Springs, CO 80903
Phone	719-635-0330
Preparer signature	Date prepared
<i>Seef Le Roux</i>	2/24/2026

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)	\$ 72,213
1-2	Specific ownership	\$ 9,190
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	\$ 1,004
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)	\$ 82,407

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 fee	\$ 1,090
2-25	Transfer to Canyon Creek Metro District No. 1	\$ 20,364
2-26	Transfer to Colorado Springs URA	\$ 60,953
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 82,407

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. Developer advances are only repaid if and when the District has eligible funds available for repayment.		
3-4	Is the entity current in its debt service payments?	☐ Yes	☒ No
	If no, MUST explain below. Developer advances are only repaid if and when the District has eligible funds available for repayment.		
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	Oustanding 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	\$ 3,550,732			\$ 3,550,732
	Other (specify in line 3-11)				
3-11	Accrued Interest on Dev. Advance	\$ 1,854,555	\$ 284,058		\$ 2,138,613
3-12	TOTAL (Add lines 3-6 through 3-11)	\$ 5,405,287	\$ 284,058	\$ 0	\$ 5,689,345

*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?	\$ 191,519,000	
3-15	Date the debt was authorized	11/4/2008	
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?	\$ 75,000,000	
3-18	Date of the most recent Service Plan	10/14/2008	
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	
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	ColoTrust	\$ 727
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 727
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 727

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.			

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	<div>TOTAL (Add lines 6-4 through 6-6)</div>	\$ 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	\$ 23,000
7-6	Debt Service Fund	\$ 66,000
7-7	Capital Projects Fund	\$ 3,000,000
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.		
	Roads and utility lines to be dedicated to the City of Colorado Springs		
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.		
	Intergovernmental Agreement with Canyon Creek Metropolitan District No. 1 and 3		
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	38.644	
9-14	General/other mills	12.881	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	51.525	
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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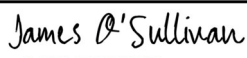
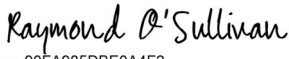
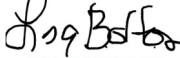
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Governing Body Signatures

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	James O'Sullivan		
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	<small>Signed by:</small>  <small>BA9896C62405448...</small>	Date
			3/5/2026
Board Member 2			
Board member's name	Raymond O'Sullivan		
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	<small>DocuSigned by:</small>  <small>90FA985DBE0A4E2...</small>	Date
			3/5/2026
Board Member 3			
Board member's name	Lisa Bolton		
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	<small>Signed by:</small>  <small>3F8F33E000204D7...</small>	Date
			3/4/2026
Board Member 4			
Board member's name			
My term expires on			
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Board member's name			
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Board member's name			
My term expires on			
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Board Member 7			
Board member's name			
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 - ☐ 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	Canyon Creek Metropolitan District No. 3
Street address	121 S Tejon Street, Suite 1100
City, State, Zip	Colorado Springs, CO 80903
Contact person	Seef Le Roux
Phone	719-635-0330
Email	seef.leroux@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	Seef Le Roux
Title	Accountant for the District
Firm name (if applicable)	CliftonLarsonAllen LLP
Address	121 S Tejon Street, Suite 1100, Colorado Springs, CO 80903
Phone	719-635-0330
Preparer signature	Date prepared
<i>Seef Le Roux</i>	2/24/2026

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)	\$ 47,134
1-2	Specific ownership	\$ 5,962
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	\$ 1,065
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)	\$ 54,161

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 fee	\$ 721
2-25	Transfer to Canyon Creek Metro District No. 1	\$ 13,405
2-26	Transfer to Colorado Springs URA	\$ 40,035
2-27		
2-28	TOTAL EXPENDITURES/EXPENSES (Add lines 2-1 through 2-27)	\$ 54,161

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	Oustanding 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?	\$ 200,000,000	
3-15	Date the debt was authorized	11/4/2008	
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?	\$ 75,000,000	
3-18	Date of the most recent Service Plan	10/14/2008	
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	
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	ColoTrust	\$ 476
4-5		
4-6		
4-7		
4-8		
4-9	Total Investments (Add lines 4-4 through 4-8)	\$ 476
4-10	TOTAL CASH AND INVESTMENTS (Add lines 4-3 and 4-9)	\$ 476

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.			

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	<div>TOTAL (Add lines 6-4 through 6-6)</div>	\$ 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	\$ 16,000
7-6	Debt Service Fund	\$ 44,000
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. Roads and utility lines to be dedicated to the City of Colorado Springs		
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. Intergovernmental Agreement with Canyon Creek Metropolitan District No. 1 and 2		
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	31.715	
9-14	General/other mills	10.571	
9-15	TOTAL MILLS (Add lines 9-13 through 9-14)	42.286	
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:

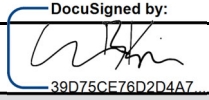
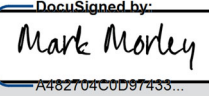
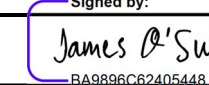
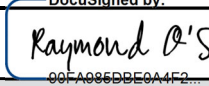
- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be 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	Kenneth Kurica	
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
	 <small>DocuSigned by: 39D75CE76D2D4A7...</small>	3/5/2026
Board Member 2		
Board member's name	Mark Morley	
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
	 <small>DocuSigned by: A482704C0D97433...</small>	3/5/2026
Board Member 3		
Board member's name	James O'Sullivan	
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
	 <small>Signed by: BA9896C62405448</small>	3/5/2026
Board Member 4		
Board member's name	Raymond O'Sullivan	
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
	 <small>DocuSigned by: 00FA085DBE0A4F2...</small>	3/5/2026
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