

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 2,172,982	\$ 2,336,502	\$ 2,309,881
REVENUES			
Property taxes	1,858,432	2,488,146	2,508,515
Specific ownership taxes	194,575	226,046	250,851
Interest income	149,570	156,000	95,600
Facilities fees	33,000	8,000	-
Other revenue	-	88,865	65,170
Total revenues	2,235,577	2,967,057	2,920,136
Total funds available	4,408,559	5,303,559	5,230,017
EXPENDITURES			
General Fund	832,851	1,183,534	1,122,500
Debt Service Fund	1,239,206	1,810,144	1,798,037
Total expenditures	2,072,057	2,993,678	2,920,537
Total expenditures and transfers out requiring appropriation	2,072,057	2,993,678	2,920,537
ENDING FUND BALANCES	\$ 2,336,502	\$ 2,309,881	\$ 2,309,480
DEBT SERVICE RESERVE (MAX OF \$1,057,325)	1,057,325	1,057,325	1,057,325
SURPLUS FUND (MAX OF \$1,252,000)	1,252,000	1,252,000	1,252,000
TOTAL RESERVE	\$ 2,309,325	\$ 2,309,325	\$ 2,309,325

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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ASSESSED VALUATION

Residential	\$ 30,235,030	\$ 36,609,000	\$ 37,324,200
Commercial	120,220	34,820	24,780
Natural Resources	40	40	40
Vacant land	2,420,080	795,520	262,160
Certified Assessed Value	<u>\$ 32,775,370</u>	<u>\$ 37,439,380</u>	<u>\$ 37,611,180</u>

MILL LEVY

General	22.681	26.583	26.678
Debt Service	34.021	39.875	40.018
Total mill levy	<u>56.702</u>	<u>66.458</u>	<u>66.696</u>

PROPERTY TAXES

General	\$ 743,378	\$ 995,251	\$ 1,003,391
Debt Service	1,115,051	1,492,895	1,505,124
Levied property taxes	<u>1,858,429</u>	<u>2,488,146</u>	<u>2,508,515</u>
Adjustments to actual/rounding	3		
Budgeted property taxes	<u>\$ 1,858,432</u>	<u>\$ 2,488,146</u>	<u>\$ 2,508,515</u>

BUDGETED PROPERTY TAXES

General	\$ 743,379	\$ 995,251	\$ 1,003,391
Debt Service	1,115,053	1,492,895	1,505,124
	<u>\$ 1,858,432</u>	<u>\$ 2,488,146</u>	<u>\$ 2,508,515</u>

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	743,379	995,251	1,003,391
Specific ownership taxes	77,831	90,418	100,339
Interest income	11,641	9,000	3,600
Other revenue	-	88,865	15,170
Total revenues	832,851	1,183,534	1,122,500
Total funds available	832,851	1,183,534	1,122,500
EXPENDITURES			
General and administrative			
County Treasurer's Fee	11,156	14,929	15,051
Contingency	-	-	15,170
Intergovernmental expenditures	821,695	1,168,605	1,092,279
Total expenditures	832,851	1,183,534	1,122,500
Total expenditures and transfers out requiring appropriation	832,851	1,183,534	1,122,500
ENDING FUND BALANCES	\$ -	\$ -	\$ -

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 2,172,982	\$ 2,336,502	\$ 2,309,881
REVENUES			
Property taxes	1,115,053	1,492,895	1,505,124
Specific ownership taxes	116,744	135,628	150,512
Interest income	137,929	147,000	92,000
Facilities fees	33,000	8,000	-
Other revenue	-	-	50,000
Total revenues	1,402,726	1,783,523	1,797,636
TRANSFERS IN			
Total funds available	3,575,708	4,120,025	4,107,517
EXPENDITURES			
General and administrative			
County Treasurer's Fee	16,734	22,393	22,577
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	50,000
Debt Service			
Bond interest - Series 2018A	719,613	713,863	706,100
Bond principal - Series 2018A	100,000	135,000	145,000
Bond interest - Series 2018B	395,859	785,888	153,360
Bond principal - Series 2018B	-	146,000	714,000
Total expenditures	1,239,206	1,810,144	1,798,037
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	1,239,206	1,810,144	1,798,037
ENDING FUND BALANCES	\$ 2,336,502	\$ 2,309,881	\$ 2,309,480
DEBT SERVICE RESERVE (MAX OF \$1,057,325)	\$ 1,057,325	\$ 1,057,325	\$ 1,057,325
SURPLUS FUND (MAX OF \$1,252,000)	1,252,000	1,252,000	1,252,000
TOTAL RESERVE	\$ 2,309,325	\$ 2,309,325	\$ 2,309,325

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Banning Lewis Ranch Metropolitan District No. 4 ("the District"), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on December 1, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide street improvements, parks and recreational facilities, water supply, wastewater facilities, traffic and safety controls, public transportation, fire protection, mosquito control and television relay. The District is one of the Financing Districts organized in conjunction with ten other related Districts - Banning Lewis Ranch Metropolitan District Nos. 1, 2, 4, 5, 6 (now Banning Lewis Ranch Regional Metropolitan District No. 1), 7 (now Banning Lewis Ranch Regional Metropolitan District No. 2), 8, 9, 10, and 11. District No.1 serves as the Operating District which will pay all vendors of and receive reimbursements and/or contributions from the Financing Districts. All other Districts, including District No. 4, are the Financing Districts which will issue debt, levy ad valorem taxes on taxable properties within each District and assess fees, rates and other charges as authorized by law. Banning Lewis Ranch Regional Metropolitan District No. 1 will serve as the Regional Improvement District serving District Nos. 1-5. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (continued)

Property Taxes (continued)

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 2025, SB22-238, SB23B-001, SB 24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		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 10% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5.00%.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (continued)

Intergovernmental expenditure – Banning Lewis Ranch Metropolitan District No. 1 - O&M Taxes

Property taxes generated from the mills levied by the District for operations and maintenance, net of fees, are expected to be transferred to District No. 1, the Operating District, which pays all administrative expenditures of the District.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the District's Series 2018A General Obligation Bonds (discussed under Debt and Leases).

Debt and Leases

On December 11, 2018, the District issued General Obligation Bonds, Series 2018A (2018A Bonds), in the principal amount of \$12,520,000 for the purpose of paying and reimbursing the costs of capital infrastructure improvements, funding a Senior Reserve Fund, providing capitalized interest on the 2018A Bonds, and paying costs of issuance of the Bonds. The 2018A Bonds have a maturity date of December 1, 2048, and carry a fixed interest rate of 5.750%. Interest is payable on June 1 and December 1 of each year beginning on June 1, 2019. Principal payments are due annually on December 1, beginning on December 1, 2022. The debt to maturity schedule is provided on page 12 of the Budget.

On December 11, 2018, the District issued Subordinate General Obligation Limited Tax Bonds, Series 2018B (2018B Subordinate Bonds), in the principal amount of \$2,063,000 for the purpose of paying and reimbursing the costs of capital infrastructure improvements. The 2018B Subordinate Bonds have a maturity date of December 15, 2048 and carry a fixed interest rate of 8.000%. The 2018B Subordinate Bonds are cash-flow bonds and no payments are expected on these bonds until 2023. Therefore no estimated debt to maturity schedule is provided.

On December 11, 2018, the District issued Junior Lien General Obligation Bonds, Series 2018C (2018C Junior Lien Bonds), in the principal amount of \$4,134,000 for the purpose of reimbursing the costs of capital infrastructure improvements paid for by the Developer. The 2018C Junior Lien Bonds have a maturity date of December 15, 2051 and carry a fixed interest rate of 8.000%. The 2018C Junior Lien Bonds are cash-flow bonds and no payments are expected on these bonds until maturity. Therefore no estimated debt to maturity schedule is provided.

The 2018A Bonds are secured by and payable solely from the Senior Pledged Revenue, which includes property taxes derived from the Senior Required Mill Levy, net of the cost of collection, Specific Ownership Taxes attributable to the Senior Required Mill Levy, Facility Fees, and any other legally available moneys of the District credited to the Senior Revenue Fund.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

Pursuant to the Senior Indenture, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds as the same become due and payable (less any amounts then on deposit in the Senior Bond Fund, and solely as provided in the Senior Indenture, the Surplus Fund and the Reserve Fund, respectively) and to replenish the Reserve Fund to the Reserve Requirement, but not in excess of 30 mills (subject to adjustment described below); provided, however, that (i) for so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 30 mills (as adjusted) or such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Senior Bonds as the same become due and payable, to replenish the Reserve Fund to the Reserve Requirement, and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund and the Surplus Fund and the Reserve Fund, will pay the Senior Bonds in full in the year such levy is collected. In no event is the District to be required to impose the Senior Required Mill Levy after December 2057 (for collection in calendar year 2058).

In the event that the method of calculating assessed valuation is changed after January 1, 2008, the minimum and maximum mill levies of 30 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The Series 2018A Bonds are further secured by amounts held by the Trustee in the Reserve Fund in the amount of \$1,057,325, as well as a Surplus Fund up to a maximum amount of \$1,252,000. No payments may be made on the Series 2018B Subordinate Bonds or Series 2018C Junior Lien Bonds if the Reserve Fund and the Surplus Fund are less than the maximum amounts.

The 2018B Subordinate and 2018C Junior Lien Bonds are secured by and payable solely from the Subordinate Pledged Revenue, which includes property taxes derived from the required subordinate mill levy, net of the cost of collection, Specific Ownership Taxes attributable to the Subordinate Required Mill Levy, Subordinate Facility Fees, and any other legally available moneys of the District credited to Subordinate Pledged Revenue.

The Subordinate Indenture requires the District to impose a Subordinate Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 30 mills (as adjusted) less the Senior Obligation Mill Levy (the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations), or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Subordinate Bonds in full in the year such levy is collected. In no event is the District to be required to impose the Subordinate Required Mill Levy after December 2057 (for collection in calendar year 2058).

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The Junior Lien Indenture requires the District to impose a Junior Lien Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 30 mills (as adjusted) less the Senior/Subordinate Required Mill Levy (the sum of the Senior Required Mill Levy, the Subordinate Required Mill Levy, and any other ad valorem property tax levy required to be imposed by the District for the payment of other Senior/Subordinate Obligations), or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the Junior Lien Bonds in full in the year such levy is collected. In no event is the District to be required to impose the Junior Lien Required Mill Levy after December 2057 (for collection in calendar year 2058).

Schedule of Long Term Obligations

	Balance at December 31, 2023	Additions*	Repayments*	Balance at December 31, 2024*
G.O. Limited Tax Bonds - Series 2018A	\$ 12,415,000	\$ -	\$ 135,000	\$ 12,280,000
G.O. Subordinate Bonds - Series 2018B	2,063,000	-	146,000	1,917,000
Series 2018B - Accrued Interest	583,653	208,626	785,888	6,391
Junior Lien Obligation Bonds - Series 2018C	4,134,000	-	-	4,134,000
Series 2018C - Accrued Interest	1,960,400	365,664	-	2,326,064
Developer Advances - Capital	4,046,448	-	-	4,046,448
Accrued interest - Capital	1,431,777	283,251	-	1,715,028
	<u>\$ 26,634,278</u>	<u>\$ 857,541</u>	<u>\$ 1,066,888</u>	<u>\$ 26,424,931</u>
	Balance at December 31, 2024*	Additions*	Repayments*	Balance at December 31, 2025*
G.O. Limited Tax Bonds - Series 2018A	\$ 12,280,000	\$ -	\$ 145,000	\$ 12,135,000
G.O. Subordinate Bonds - Series 2018B	1,917,000	-	714,000	1,203,000
Series 2018B - Accrued Interest	6,391	150,980	153,360	4,011
Junior Lien Obligation Bonds - Series 2018C	4,134,000	-	-	4,134,000
Series 2018C - Accrued Interest	2,326,064	387,604	-	2,713,668
Developer Advances - Capital	4,046,448	-	-	4,046,448
Accrued interest - Capital	1,715,028	283,251	-	1,998,279
	<u>\$ 26,424,931</u>	<u>\$ 821,835</u>	<u>\$ 1,012,360</u>	<u>\$ 26,234,406</u>

* Estimate

The District has no operating or capital leases.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Debt Service Reserve

The District maintains a Debt Service Reserve of \$1,057,325 as required with the issuance of the Series 2018A Bonds.

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 the District's operations and maintenance costs, the Emergency Reserve for these funds is reflected in the budget of District No. 1.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31, Year	\$12,520,000 General Obligation Bonds Series 2018A Dated December 11, 2018 Principal Due December 1 Interest Rate 5.750% Payable June 1 and December 1			Total
	Principal	Interest		
2025	\$ 145,000	\$ 706,100	\$	851,100
2026	170,000	697,763		867,763
2027	180,000	687,988		867,988
2028	205,000	677,638		882,638
2029	220,000	665,850		885,850
2030	250,000	653,200		903,200
2031	260,000	638,825		898,825
2032	295,000	623,875		918,875
2033	310,000	606,913		916,913
2034	350,000	589,088		939,088
2035	370,000	568,962		938,962
2036	410,000	547,687		957,687
2037	430,000	524,112		954,112
2038	475,000	499,387		974,387
2039	505,000	472,075		977,075
2040	550,000	443,037		993,037
2041	585,000	411,412		996,412
2042	635,000	377,775		1,012,775
2043	675,000	341,262		1,016,262
2044	735,000	302,450		1,037,450
2045	775,000	260,187		1,035,187
2046	840,000	215,625		1,055,625
2047	890,000	167,325		1,057,325
2048	2,020,000	116,150		2,136,150
	<u>\$ 12,415,000</u>	<u>\$ 12,508,549</u>	<u>\$</u>	<u>24,923,549</u>

NOTE: This debt to maturity schedule only represents the senior obligation of the District.
No debt to maturity schedule has been provided for the 2018B Subordinate Bonds or the
2018C Junior Lien Bonds because amounts are payable from subordinate pledged revenue,
which may or may not be sufficient to make debt service payments when due.