

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for BANNIGN LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 6, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP
121 S. Tejon Street, Suite 1100
Colorado Springs, Colorado 80903
719-635-0330

I, Josh Miller as District Manager of the Banning Lewis Ranch Regional Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: _____



RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Banning Lewis Ranch Regional Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 28, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$106,319; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$957,618; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$93,755,420; and

WHEREAS, at an election held on November 1, 2005 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Banning Lewis Ranch Regional Metropolitan District No. 1 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 1.134 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 10.214 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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ADOPTED this 6th day of December, 2022.

BANNING LEWIS RANCH REGIONAL
METROPOLITAN DISTRICT NO. 1

DocuSigned by:
Jason Brockman
6252B9D9FEFA4A5...

President

ATTEST:

DocuSigned by:
Don Knechtel
8375F190891F409...

Secretary

**ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES**

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,218,175	\$ 1,431,060	\$ 1,810,502
REVENUES			
Property taxes	767,962	947,271	1,063,937
Specific ownership tax	90,179	95,140	106,394
Interest income	1,081	8,500	11,500
Intergovernmental revenues - BLR Regional #2	-	-	-
Total revenues	<u>859,222</u>	<u>1,050,911</u>	<u>1,181,831</u>
Total funds available	<u>2,077,397</u>	<u>2,481,971</u>	<u>2,992,333</u>
EXPENDITURES			
General Fund	51,418	74,137	93,186
Debt Service Fund	594,919	597,332	819,174
Total expenditures	<u>646,337</u>	<u>671,469</u>	<u>912,360</u>
Total expenditures and transfers out requiring appropriation	<u>646,337</u>	<u>671,469</u>	<u>912,360</u>
ENDING FUND BALANCES	<u>\$ 1,431,060</u>	<u>\$ 1,810,502</u>	<u>\$ 2,079,973</u>
EMERGENCY RESERVE	\$ 2,600	\$ 3,200	\$ 3,600
DEBT SERVICE RESERVE (MAX OF \$875,075)	875,075	875,075	875,075
DEBT SERVICE SURPLUS (MAX OF \$1,074,500)	481,939	830,794	1,074,500
TOTAL RESERVE	<u>\$ 1,359,614</u>	<u>\$ 1,709,069</u>	<u>\$ 1,953,175</u>

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
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ASSESSED VALUATION

Single Family Residential	\$ 56,652,650	\$ 75,450,460	\$ 87,093,850
Multi-Family Residential	-	-	-
Commercial	100,370	641,830	610,510
Natural Resources	-	-	50
Agricultural	13,150	830	760
State assessed	3,138,840	573,790	485,740
Vacant land	9,082,890	8,427,470	5,564,510
	<u>68,987,900</u>	<u>85,094,380</u>	<u>93,755,420</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 68,987,900</u>	<u>\$ 85,094,380</u>	<u>\$ 93,755,420</u>

MILL LEVY

General	1.112	1.113	1.134
Debt Service	10.019	10.019	10.214
	<u>11.131</u>	<u>11.132</u>	<u>11.348</u>
Total mill levy	<u>11.131</u>	<u>11.132</u>	<u>11.348</u>

PROPERTY TAXES

General	\$ 76,716	\$ 94,710	\$ 106,319
Debt Service	691,190	852,561	957,618
	<u>767,906</u>	<u>947,271</u>	<u>1,063,937</u>
Levied property taxes	767,906	947,271	1,063,937
Adjustments to actual/rounding	123	-	-
Refunds and abatements	(67)	-	-
Budgeted property taxes	<u>\$ 767,962</u>	<u>\$ 947,271</u>	<u>\$ 1,063,937</u>

BUDGETED PROPERTY TAXES

General	\$ 76,796	\$ 94,710	\$ 106,319
Debt Service	691,166	852,561	957,618
ARI	-	-	-
	<u>\$ 767,962</u>	<u>\$ 947,271</u>	<u>\$ 1,063,937</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 39,567	\$ 74,046	\$ 104,633
REVENUES			
Property taxes	76,796	94,710	106,319
Specific ownership tax	9,018	9,514	10,632
Interest income	83	500	2,000
Intergovernmental revenues - BLR Regional #2	-	-	-
Total revenues	85,897	104,724	118,951
Total funds available	125,464	178,770	223,584
EXPENDITURES			
General and administrative			
Accounting	32,152	25,000	28,750
Auditing	-	4,525	4,700
Contingency	-	-	6,941
County Treasurer's fee	1,153	1,421	1,595
Dues and membership	522	549	600
Insurance and bonds	-	5,142	5,200
District management	1,364	16,000	18,400
Legal services	13,347	15,000	20,000
Miscellaneous	2,880	500	1,000
Election expense	-	6,000	6,000
Total expenditures	51,418	74,137	93,186
Total expenditures and transfers out requiring appropriation	51,418	74,137	93,186
ENDING FUND BALANCE	\$ 74,046	\$ 104,633	\$ 130,398
EMERGENCY RESERVE	\$ 2,600	\$ 3,200	\$ 3,600
TOTAL RESERVE	\$ 2,600	\$ 3,200	\$ 3,600

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,178,608	\$ 1,357,014	\$ 1,705,869
REVENUES			
Property taxes	691,166	852,561	957,618
Specific ownership tax	81,161	85,626	95,762
Interest income	998	8,000	9,500
Total revenues	<u>773,325</u>	<u>946,187</u>	<u>1,062,880</u>
Total funds available	<u>1,951,933</u>	<u>2,303,201</u>	<u>2,768,749</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	10,375	12,788	14,364
Contingency	-	-	10,964
Debt Service			
Bond interest - 2018A Series	577,544	577,544	577,544
Bond interest - 2018B Series	-	-	149,302
Bond principal Senior Bonds	-	-	60,000
Paying agent fees	7,000	7,000	7,000
Total expenditures	<u>594,919</u>	<u>597,332</u>	<u>819,174</u>
Total expenditures and transfers out requiring appropriation	<u>594,919</u>	<u>597,332</u>	<u>819,174</u>
ENDING FUND BALANCE	<u>\$ 1,357,014</u>	<u>\$ 1,705,869</u>	<u>\$ 1,949,575</u>
DEBT SERVICE RESERVE (MAX OF \$875,075)	\$ 875,075	\$ 875,075	\$ 875,075
DEBT SERVICE SURPLUS (MAX OF \$1,074,500)	481,939	830,794	1,074,500
TOTAL RESERVE	<u>\$ 1,357,014</u>	<u>\$ 1,705,869</u>	<u>\$ 1,949,575</u>

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Banning Lewis Ranch Regional Metropolitan District No. 1 (“the District”), formerly Banning Lewis Ranch Metropolitan District No. 6, 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 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. The District was organized to 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.

In an election held on November 6, 2007, the District's voters authorized general obligation indebtedness of \$600,000,000 for water facilities and \$600,000,000 for wastewater facilities.

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

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

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.

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.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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 1.5%.

Expenditures

County Treasurer's Fees

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

Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, and other administrative expenses.

Debt Service

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

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

On December 11, 2018, the District issued General Obligation Bonds, Series 2018A (2018A Bonds), in the principal amount of \$10,745,000 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 2018A Bonds. The 2018A Bonds have a maturity date of December 1, 2048, and carry a fixed interest rate of 5.375%. 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, 2023. The debt to maturity schedule is provided on page 11 of the Budget.

On December 11, 2018, the District issued Subordinate General Obligation Bonds, Series 2018B (2018B Subordinate Bonds), in the principal amount of \$1,255,000 for the purpose of paying and reimbursing the costs of capital infrastructure improvements. The 2018B Subordinate Bonds have a maturity date of December 15, 2041 and carry a fixed interest rate of 7.750%.

The Series 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 \$1,801,000 for the purpose of reimbursing the costs of capital infrastructure improvements paid for by the Developer. The 2018C Junior Subordinate Bonds have a maturity date of December 15, 2041 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.

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 9 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 9 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 2047 (for collection in calendar year 2048).

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

In the event that the method of calculating assessed valuation is changed after January 1, 2010, the minimum and maximum mill levies of 9 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 2018A Bonds are further secured by amounts held by the Trustee in the Reserve Fund in the amount of \$875,075, as well as a Surplus Fund up to a maximum amount of \$1,074,500. No payments may be made on the 2018B Subordinate Bonds or 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) 9 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 2047 (for collection in calendar year 2048).

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) 9 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 2047 (for collection in calendar year 2048).

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Schedule of Long Term Obligations

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Series 2018A G.O. Limited Tax Bonds	\$ 10,745,000	\$ -	\$ -	\$ 10,745,000
Series 2018B Subordinate G.O.	1,255,000	-	-	1,255,000
Accrued interest - Series 2018B	318,112	119,016	-	437,128
Series 2018C Junior Lien Bonds	1,801,000	-	-	1,801,000
Accrued interest - Series 2018C	472,465	177,494	-	649,959
Bond Issue Premium	26,709	-	1,389	25,320
	<u>14,618,286</u>	<u>296,510</u>	<u>1,389</u>	<u>14,913,406</u>
	<u>\$ 14,618,286</u>	<u>\$ 296,510</u>	<u>\$ 1,389</u>	<u>\$ 14,913,406</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Series 2018A G.O. Limited Tax Bonds	\$ 10,745,000	\$ -	\$ 60,000	\$ 10,685,000
Series 2018B Subordinate G.O.	1,255,000	-	-	1,255,000
Accrued interest - Series 2018B	437,128	128,839	158,550	407,417
Series 2018C Junior Lien Bonds	1,801,000	-	-	1,801,000
Accrued interest - Series 2018C	649,959	193,391	-	843,349
Bond Issue Premium	25,320	-	1,389	23,930
	<u>14,913,406</u>	<u>322,229</u>	<u>219,939</u>	<u>15,015,696</u>
	<u>\$ 14,913,406</u>	<u>\$ 322,229</u>	<u>\$ 219,939</u>	<u>\$ 15,015,696</u>

* Estimate

The District has no operating or capital leases.

Reserves

Debt Service Reserve

The District maintains a Debt Service Reserve of \$875,075 as required with the issuance of the 2018A Bonds.

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31, Year	\$10,745,000 General Obligation Bonds Series 2018A Dated December 11, 2018 Principal Due December 1 Interest Rate 5.375% Payable June 1 and December 1		
	Principal	Interest	Total
2023	\$ 60,000	\$ 577,544	\$ 637,544
2024	115,000	574,319	689,319
2025	135,000	568,138	703,138
2026	160,000	560,881	720,881
2027	165,000	552,281	717,281
2028	190,000	543,413	733,413
2029	200,000	533,200	733,200
2030	225,000	522,450	747,450
2031	235,000	510,356	745,356
2032	265,000	497,725	762,725
2033	280,000	483,481	763,481
2034	310,000	468,431	778,431
2035	325,000	451,769	776,769
2036	360,000	434,300	794,300
2037	375,000	414,950	789,950
2038	415,000	394,794	809,794
2039	435,000	372,487	807,487
2040	475,000	349,106	824,106
2041	500,000	323,575	823,575
2042	545,000	296,700	841,700
2043	575,000	267,406	842,406
2044	620,000	236,500	856,500
2045	655,000	203,175	858,175
2046	705,000	167,969	872,969
2047	745,000	130,075	875,075
2048	1,675,000	90,031	1,765,031
Total	<u>\$ 10,745,000</u>	<u>\$ 10,525,056</u>	<u>\$ 21,270,056</u>

No assurance provided. See summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 93,755,420 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 93,755,420 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/09/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	1.134 mills	\$ 106,319
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	1.134 mills	\$ 106,319
3. General Obligation Bonds and Interest ^J	10.214 mills	\$ 957,618
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	11.348 mills	\$ 1,063,937

Contact person: Carrie Bartow Daytime phone: (719) 635-0330
(print)

Signed:  Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	Public Infrastructure Improvements
	Series:	2018A
	Date of Issue:	December 11, 2018
	Coupon Rate:	5.375%
	Maturity Date:	December 1, 2048
	Levy:	8.276
	Revenue:	\$775,920
2.	Purpose of Issue:	Public Infrastructure Improvements
	Series:	2018B
	Date of Issue:	December 11, 2018
	Coupon Rate:	7.750%
	Maturity Date:	December 15, 2048
	Levy:	1.938
	Revenue:	\$181,698
3.	Purpose of Issue:	Public Infrastructure Improvements
	Series:	2018C
	Date of Issue:	December 11, 2018
	Coupon Rate:	6.000% - 8.000%
	Maturity Date:	December 15, 2048
	Levy:	0.000
	Revenue:	\$0

CONTRACTS^K:

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO, } ss.
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

28, NOVEMBER, A.D. 2022.

And that the last publication of said notice was in the issue of said newspaper dated:

28, NOVEMBER, A.D. 2022.

In witness whereof, I have hereunto set my hand this 28th day of November, A.D. 2022.

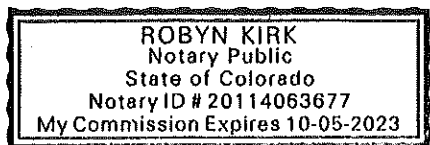
Cotney Reily

Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 28th day of November, A.D. 2022.

Robyn Kirk

Notary Public



**NOTICE OF HEARING
ON PROPOSED 2023
BUDGET AND 2022
BUDGET AMENDMENT**

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2023 has been submitted to the Banning Lewis Ranch Regional Metropolitan District No. 1 ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 10:30 a.m. on December 6, 2022 via telephone and videoconference. To attend and participate by telephone, dial 1(720)547-5281 and enter passcode 318 206 229#. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing online at <https://www.banninglewisranchmetrodistrict.com/> or by contacting Miki Manibog, by email at Miki.manibog@claconnect.com or by telephone at (719) 635-0330

NOTICE IS FURTHER GIVEN that an amendment to the 2022 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2023 budget and the amended 2022 budget, if required, are available for public inspection at the offices of CliftonLarsonAllen, LLP at 121 South Tejon Street Suite 1100, Colorado Springs, CO 80903. Any interested elector within the District may, at any time prior to final adoption of the 2023 budget and the amended 2022 budget, if required, file or register any objections thereto.

BANNING LEWIS RANCH
REGIONAL METROPOLITAN
DISTRICT NO. 1
By: /s/ Bruce Rau, President
Publication Date: November 28, 2022
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