

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/5/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 1,831,305	\$ 2,102,691	\$ 2,118,176
REVENUES			
Property taxes	1,063,979	1,392,964	1,426,730
Specific ownership taxes	111,396	126,552	142,673
Interest income	112,265	126,000	108,000
Other revenue	-	4,993	11,617
Total revenues	1,287,640	1,650,509	1,689,020
Total funds available	3,118,945	3,753,200	3,807,196
EXPENDITURES			
General Fund	77,847	62,360	90,000
Debt Service Fund	938,407	1,572,664	1,600,000
Total expenditures	1,016,254	1,635,024	1,690,000
Total expenditures and transfers out requiring appropriation	1,016,254	1,635,024	1,690,000
ENDING FUND BALANCES	\$ 2,102,691	\$ 2,118,176	\$ 2,117,196
EMERGENCY RESERVE	\$ 3,600	\$ 2,800	\$ 2,700
AVAILABLE FOR OPERATIONS	136,630	165,180	165,118
DEBT SERVICE RESERVE (MAX OF \$875,075)	875,075	875,075	875,075
DEBT SERVICE SURPLUS (MAX OF \$1,074,500)	1,074,500	1,074,500	1,074,303
TOTAL RESERVE	\$ 2,089,805	\$ 2,117,555	\$ 2,117,196

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/5/24

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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ASSESSED VALUATION

Residential	\$ 87,093,850	\$ 108,149,570	\$ 109,936,950
Commercial	610,510	584,340	1,443,940
Natural Resources	50	50	50
Agricultural	760	780	780
State assessed	485,740	471,340	465,600
Vacant land	5,564,510	2,373,880	2,611,540
	<u>93,755,420</u>	<u>111,579,960</u>	<u>114,458,860</u>
Certified Assessed Value	<u>\$ 93,755,420</u>	<u>\$ 111,579,960</u>	<u>\$ 114,458,860</u>

MILL LEVY

General	1.134	0.650	0.650
Debt Service	10.214	11.834	11.815
Total mill levy	<u>11.348</u>	<u>12.484</u>	<u>12.465</u>

PROPERTY TAXES

General	\$ 106,319	\$ 72,527	\$ 74,398
Debt Service	957,618	1,320,437	1,352,332
Levied property taxes	<u>1,063,937</u>	<u>1,392,964</u>	<u>1,426,730</u>
Adjustments to actual/rounding	42	-	-
Budgeted property taxes	<u>\$ 1,063,979</u>	<u>\$ 1,392,964</u>	<u>\$ 1,426,730</u>

BUDGETED PROPERTY TAXES

General	\$ 106,323	\$ 72,527	\$ 74,398
Debt Service	957,656	1,320,437	1,352,332
	<u>\$ 1,063,979</u>	<u>\$ 1,392,964</u>	<u>\$ 1,426,730</u>

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2025 BUDGET**

**WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/5/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 99,856	\$ 140,230	\$ 167,980
REVENUES			
Property taxes	106,323	72,527	74,398
Specific ownership taxes	11,132	6,590	7,440
Interest income	766	6,000	8,000
Other revenue	-	4,993	-
Total revenues	118,221	90,110	89,838
Total funds available	218,077	230,340	257,818
EXPENDITURES			
General and administrative			
Accounting	30,476	30,500	29,000
Auditing	5,000	5,500	6,000
County Treasurer's Fee	1,596	1,088	1,116
Directors' fees	500	1,600	1,800
Dues and membership	634	331	500
Insurance	3,021	3,221	5,000
District management	22,281	16,000	20,000
Legal	8,306	4,000	8,000
Miscellaneous	27	-	-
Payroll taxes	38	120	150
Election	5,968	-	6,000
Contingency	-	-	12,434
Operations and maintenance			
Total expenditures	77,847	62,360	90,000
Total expenditures and transfers out requiring appropriation	77,847	62,360	90,000
ENDING FUND BALANCES	\$ 140,230	\$ 167,980	\$ 167,818
EMERGENCY RESERVE	\$ 3,600	\$ 2,800	\$ 2,700
AVAILABLE FOR OPERATIONS	136,630	165,180	165,118
TOTAL RESERVE	\$ 140,230	\$ 167,980	\$ 167,818

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/5/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 1,731,449	\$ 1,962,461	\$ 1,950,196
REVENUES			
Property taxes	957,656	1,320,437	1,352,332
Specific ownership taxes	100,264	119,962	135,233
Interest income	111,499	120,000	100,000
Other revenue	-	-	11,617
Total revenues	1,169,419	1,560,399	1,599,182
Total funds available	2,900,868	3,522,860	3,549,378
EXPENDITURES			
General and administrative			
County Treasurer's Fee	14,371	19,807	20,285
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	11,617
Debt Service			
Bond interest - 2018A	577,544	574,319	568,138
Bond principal - 2018A	60,000	115,000	135,000
Bond interest - 2018B	279,492	413,538	64,960
Bond principal - 2018B	-	443,000	793,000
Total expenditures	938,407	1,572,664	1,600,000
Total expenditures and transfers out requiring appropriation	938,407	1,572,664	1,600,000
ENDING FUND BALANCES	\$ 1,962,461	\$ 1,950,196	\$ 1,949,378
DEBT SERVICE RESERVE (MAX OF \$875,075)	\$ 875,075	\$ 875,075	\$ 875,075
DEBT SERVICE SURPLUS (MAX OF \$1,074,500)	1,074,500	1,074,500	1,074,303
TOTAL RESERVE	\$ 1,949,575	\$ 1,949,575	\$ 1,949,378

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2025 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.

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].

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
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

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.

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.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (continued)

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).

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.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
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 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).

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).

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
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) 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).

Schedule of Long Term Obligations

	Balance at December 31, 2023	Additions*	Repayments*	Balance at December 31, 2024*
Series 2018A G.O. Limited Tax Bonds	\$ 10,685,000	\$ -	\$ 115,000	\$ 10,570,000
Series 2018B Subordinate G.O.	1,255,000	-	443,000	812,000
Accrued interest - Series 2018B	295,081	121,164	413,538	2,707
Series 2018C Junior Lien Bonds	1,801,000	-	-	1,801,000
Accrued interest - Series 2018C	856,812	212,625	-	1,069,437
Bond Issue Premium	23,931	-	1,382	22,549
	<u>\$ 14,916,824</u>	<u>\$ 333,789</u>	<u>\$ 972,920</u>	<u>\$ 14,277,693</u>
	Balance at December 31, 2024*	Additions*	Repayments*	Balance at December 31, 2025*
Series 2018A G.O. Limited Tax Bonds	\$ 10,570,000	\$ -	\$ 135,000	\$ 10,435,000
Series 2018B Subordinate G.O.	812,000	-	793,000	19,000
Accrued interest - Series 2018B	2,707	62,317	64,960	64
Series 2018C Junior Lien Bonds	1,801,000	-	-	1,801,000
Accrued interest - Series 2018C	1,069,437	229,635	-	1,299,072
Bond Issue Premium	22,549	-	1,367	21,182
	<u>\$ 14,277,693</u>	<u>\$ 291,952</u>	<u>\$ 994,327</u>	<u>\$ 13,575,318</u>

* Estimate

The District has no operating or capital leases.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 2025, as defined under TABOR.

This information is an integral part of the accompanying budget.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 1
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
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>\$ 10,570,000</u>	<u>\$ 9,373,193</u>	<u>\$ 19,943,193</u>

No assurance provided. See summary of significant assumptions.