

LETTER OF BUDGET TRANSMITTAL

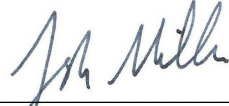
Date: January 30, 2023

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

Attached are the 2023 budget and budget message for BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 17, 2022. If there are any questions on the budget, please contact:

Josh Miller, District Manager
c/o CliftonLarsonAllen LLP
121 S. Tejon Street, Suite 1100
Colorado Springs, CO 80903
Telephone number: 303-779-5710

I, Josh Miller, District Manager of the Banning Lewis Ranch Metropolitan District No. 3, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: 

Josh Miller, District Manager

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
RESOLUTION TO ADOPT 2023 BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of Banning Lewis Ranch Metropolitan District No. 3 (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2022 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 17, 2022, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Banning Lewis Ranch Metropolitan District No. 3:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	645,000
Debt Service Fund:	\$	477,000
Capital Projects Fund	\$	38,670
Total	\$	1,160,670

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses	\$	0
From sources other than general property tax	\$	64,651
From general property tax	\$	<u>580,349</u>
Total	\$	645,000

Debt Service Fund:

From unappropriated surpluses	\$	704,170
From sources other than general property tax	\$	58,666
From general property tax	\$	<u>477,662</u>
Total	\$	1,240,498

Capital Projects Fund

From unappropriated surpluses	\$	38,380
From sources other than general property tax	\$	<u>290</u>
Total	\$	38,670

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2023 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$580,349; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$477,662; and

WHEREAS, the 2022 valuation for assessment of the District, as certified by the County Assessor, is \$25,336,110.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Banning Lewis Ranch Metropolitan District No. 3:

1. That for the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a property tax of 22.906 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$580,349.

2. That for the purpose of meeting all debt service expenses of the District during the 2023 budget year, there is hereby levied a property tax of 18.853 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$477,662.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of El Paso County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 3 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$	645,000
Debt Service Fund:	\$	477,000
Capital Projects Fund	\$	38,670
Total	\$	1,160,670

Adopted this 17th day of November, 2022.

BANNING LEWIS RANCH
METROPOLITAN DISTRICT NO. 3

DocuSigned by:
By: Raymond Marshall
13BA0199B856460
Raymond Marshall, Chair

Attest:

DocuSigned by:
Katie Alessandri
58B6246947754F1...
Katie Alessandri, Secretary

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 649,877	\$ 681,319	\$ 742,550
REVENUES			
Property taxes	967,399	1,057,449	1,057,934
Specific ownership tax	113,359	106,206	105,793
Interest income	913	4,350	11,790
Other revenue	-	-	6,016
Total revenues	<u>1,081,671</u>	<u>1,168,005</u>	<u>1,181,533</u>
Total funds available	<u>1,731,548</u>	<u>1,849,324</u>	<u>1,924,083</u>
EXPENDITURES			
General Fund	593,146	638,550	644,928
Debt Service Fund	457,083	468,224	477,000
Capital Projects Fund	-	-	38,670
Total expenditures	<u>1,050,229</u>	<u>1,106,774</u>	<u>1,160,598</u>
Total expenditures and transfers out requiring appropriation	<u>1,050,229</u>	<u>1,106,774</u>	<u>1,160,598</u>
ENDING FUND BALANCES	<u>\$ 681,319</u>	<u>\$ 742,550</u>	<u>\$ 763,485</u>
DEBT SERVICE RESERVE	\$ 538,800	\$ 538,800	\$ 538,800
SURPLUS FUND	104,409	165,370	224,685
TOTAL RESERVE	<u>\$ 643,209</u>	<u>\$ 704,170</u>	<u>\$ 763,485</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/6/22

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Single Family Residential	\$ 23,437,120	\$ 25,953,220	\$ 25,248,280
Commercial	47,680	13,710	5,370
Vacant land	294,560	82,460	81,850
	23,779,360	26,049,390	25,335,500
Adjustments	-	-	-
Certified Assessed Value	\$ 23,779,360	\$ 26,049,390	\$ 25,335,500

MILL LEVY

General	22.266	22.266	22.904
Debt Service	18.328	18.328	18.853
Total mill levy	40.594	40.594	41.757

PROPERTY TAXES

General	\$ 529,471	\$ 580,016	\$ 580,284
Debt Service	435,828	477,433	477,650
Levied property taxes	965,299	1,057,449	1,057,934
Adjustments to actual/rounding	2,339	-	-
Refunds and abatements	(239)	-	-
Budgeted property taxes	\$ 967,399	\$ 1,057,449	\$ 1,057,934

BUDGETED PROPERTY TAXES

General	\$ 530,623	\$ 580,016	\$ 580,284
Debt Service	436,776	477,433	477,650
	\$ 967,399	\$ 1,057,449	\$ 1,057,934

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	530,623	580,016	580,284
Specific ownership tax	62,178	58,254	58,028
Interest income	345	280	600
Other revenue	-	-	6,016
Total revenues	<u>593,146</u>	<u>638,550</u>	<u>644,928</u>
Total funds available	<u>593,146</u>	<u>638,550</u>	<u>644,928</u>
EXPENDITURES			
General and administrative			
Contingency	-	-	6,071
County Treasurer's fee	7,966	8,700	8,704
Transfers to BLR 1 O&M Taxes	585,180	629,850	630,153
Total expenditures	<u>593,146</u>	<u>638,550</u>	<u>644,928</u>
Total expenditures and transfers out requiring appropriation	<u>593,146</u>	<u>638,550</u>	<u>644,928</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 611,799	\$ 643,209	\$ 704,170
REVENUES			
Property taxes	436,776	477,433	477,650
Specific ownership tax	51,181	47,952	47,765
Interest income	536	3,800	10,900
Total revenues	<u>488,493</u>	<u>529,185</u>	<u>536,315</u>
Total funds available	<u>1,100,292</u>	<u>1,172,394</u>	<u>1,240,485</u>
EXPENDITURES			
Debt Service			
Bond interest - Series 2020	270,526	272,063	266,513
Contingency	-	-	9,322
County Treasurer's fee	6,557	7,161	7,165
Paying agent fees	-	4,000	4,000
Bond principal - Series 2020	180,000	185,000	190,000
Total expenditures	<u>457,083</u>	<u>468,224</u>	<u>477,000</u>
Total expenditures and transfers out requiring appropriation	<u>457,083</u>	<u>468,224</u>	<u>477,000</u>
ENDING FUND BALANCE	<u>\$ 643,209</u>	<u>\$ 704,170</u>	<u>\$ 763,485</u>
DEBT SERVICE RESERVE	\$ 538,800	\$ 538,800	\$ 538,800
SURPLUS FUND	104,409	165,370	224,685
TOTAL RESERVE	<u>\$ 643,209</u>	<u>\$ 704,170</u>	<u>\$ 763,485</u>

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 38,078	\$ 38,110	\$ 38,380
REVENUES			
Interest income	32	270	290
Total revenues	<u>32</u>	<u>270</u>	<u>290</u>
Total funds available	<u>38,110</u>	<u>38,380</u>	<u>38,670</u>
EXPENDITURES			
General and Administrative			
Contingency	-	-	38,670
Total expenditures	<u>-</u>	<u>-</u>	<u>38,670</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>38,670</u>
ENDING FUND BALANCE	<u>\$ 38,110</u>	<u>\$ 38,380</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Banning Lewis Ranch Metropolitan District No. 3 (“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 reimbursement/contributions from the Financing Districts. All other Districts, including District No. 3, 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 all of the Districts. 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.

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 METROPOLITAN DISTRICT NO. 3
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.

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

Property taxes generated from the 22.906 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 schedules from the District's Series 2020 General Obligation Refunding Bonds (discussed under Debt and Leases).

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On November 24, 2020, the District will issue General Obligation Refunding Bonds, Series 2020 (2020 Bonds), in the principal amount of \$8,490,000 for the purpose of (1) refunding the District's General Obligation Limited Tax Bonds, Series 2015A, (2) refunding the District's Subordinate General Obligation Limited Tax Bonds, Series 2015B, (3) paying the cost of issuing the 2020 Bonds, and (4) realizing a net present value savings of \$4,360,531. The 2020 Bonds will have a maturity date of December 1, 2045, and be comprised of term bonds with an interest rate between 1.000% and 4.000%.

The 2020 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2030, and on any date thereafter, at par.

Pledged Revenue will consist of (i) revenues produced from the required debt service mill levy to produce an amount sufficient to pay debt service up to the District's mill levy cap of 30 mills, as adjusted (the "Required Mill Levy"), and (ii) specific ownership taxes generated from the Required Mill Levy. The 2020 Bonds will be further secured by amounts held by a Trustee in the Reserve Fund in the amount of \$538,800.

Schedule of Long Term Obligations

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Refunding Bonds Series 2020	\$ 8,290,000	\$ -	\$ 185,000	\$ 8,105,000
Bond Issue Premium	1,014,688	-	63,093	951,595
Developer Advances - Operating	3,626,207	-	-	3,626,207
Accrued interest - Operating	2,329,568	253,834	-	2,583,402
Developer Advances - Capital	31,291,487	-	-	31,291,487
Accrued interest - Capital	54,427,395	2,190,404	-	56,617,799
	<u>\$ 100,979,345</u>	<u>\$ 2,444,238</u>	<u>\$ 248,093</u>	<u>\$ 103,175,490</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Refunding Bonds Series 2020	\$ 8,105,000	\$ -	\$ 190,000	\$ 7,915,000
Bond Issue Premium	951,595	-	61,806	889,789
Developer Advances - Operating	3,626,207	-	-	3,626,207
Accrued interest - Operating	2,583,402	253,834	-	2,837,236
Developer Advances - Capital	31,291,487	-	-	31,291,487
Accrued interest - Capital	56,617,799	2,190,404	-	58,808,203
	<u>\$ 103,175,490</u>	<u>\$ 2,444,238</u>	<u>\$ 251,806</u>	<u>\$ 105,367,922</u>

* Estimate

The District has no operating or capital leases.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Debt Service Reserve

The District has a debt service reserve fund for the 2020 Bonds in the amount of \$538,800.

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.

This information is an integral part of the accompanying budget.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31, Year	\$8,470,00 General Obligation Limited Tax Refunding Bonds Series 2020 Dated December 10, 2020 Principal Due December 1 Interest Rate 3.000% - 4.000% Payable June 1 and December 1		
	Principal	Interest	Total
2023	\$ 190,000	\$ 266,513	\$ 456,513
2024	205,000	260,813	465,813
2025	210,000	254,663	464,663
2026	225,000	249,938	474,938
2027	230,000	244,875	474,875
2028	245,000	239,700	484,700
2029	250,000	232,350	482,350
2030	270,000	224,850	494,850
2031	275,000	216,750	491,750
2032	295,000	208,500	503,500
2033	305,000	199,650	504,650
2034	325,000	190,500	515,500
2035	335,000	180,750	515,750
2036	355,000	170,700	525,700
2037	365,000	160,050	525,050
2038	385,000	149,100	534,100
2039	395,000	137,550	532,550
2040	410,000	125,700	535,700
2041	425,000	113,400	538,400
2042	440,000	96,400	536,400
2043	460,000	78,800	538,800
2044	475,000	60,400	535,400
2045	1,035,000	41,400	1,076,400
	<u>\$ 8,105,000</u>	<u>\$ 4,103,350</u>	<u>\$ 12,208,350</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 METROPOLITAN DISTRICT NO. 3,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B


of the BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 25,335,500 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: \$ 25,335,500 (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: 12/06/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	22.904 mills	\$ 580,284
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	22.904 mills	\$ 580,284
3. General Obligation Bonds and Interest ^J	18.853 mills	\$ 477,650
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	41.757 mills	\$ 1,057,934

Contact person: Carrie Bartow Daytime phone: (719) 635-0330
 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: | <u>Debt Refunding</u> |
| | Series: | <u>General Obligation Refunding Bonds – Series 2020</u> |
| | Date of Issue: | <u>December 10, 2020</u> |
| | Coupon Rate: | <u>2.250 - 4.000%</u> |
| | Maturity Date: | <u>December 1, 2045</u> |
| | Levy: | <u>18.853</u> |
| | Revenue: | <u>\$ 477,650</u> |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 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:

02, NOVEMBER, A.D. 2022.

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

02, NOVEMBER, A.D. 2022.

In witness whereof, I have hereunto set my hand this 2nd day of November, A.D. 2022.

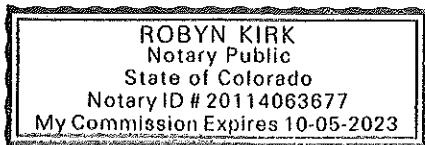
Amy Sweet

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 2nd day of November, A.D. 2022.

Robyn Kirk

Notary Public



NOTICE CONCERNING
PROPOSED BUDGET OF
BANNING LEWIS RANCH
METROPOLITAN
DISTRICT NO. 3

NOTICE is hereby given that a proposed budget has been submitted to the Board of Directors of Banning Lewis Ranch Metropolitan District No. 3 (the "District") for the ensuing year of 2023; that a copy of such proposed budget has been filed in the office of the District at CliftonLarsonAllen LLP, located at 121 S. Tejon Street, Suite 1100, Colorado Springs, Colorado 80903, where the same is open for public inspection; and that such proposed budget will be considered at a public hearing of the Board of Directors of the District to be held at The Ranch House 6885 Vista Del Pico Blvd., Colorado Springs, Colorado on Thursday, November 17, 2022, at

1:00 p.m. Any elector within the District may, at any time prior to the final adoption of the budget, inspect the budget and file or register any objections thereto.

BANNING LEWIS RANCH
METROPOLITAN
DISTRICT NO. 3

By: Katherine Alessandri
Secretary

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