

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 756,446	\$ 866,748	\$ 959,505
REVENUES			
Property taxes	1,057,934	1,274,402	1,232,142
Specific ownership taxes	110,766	115,780	123,215
Interest income	58,795	61,000	51,200
Other revenue	-	26,431	13,093
Total revenues	1,227,495	1,477,613	1,419,650
Total funds available	1,983,941	2,344,361	2,379,155
EXPENDITURES			
General Fund	649,513	907,966	900,000
Debt Service Fund	467,680	476,890	486,000
Capital Projects Fund	-	-	48,697
Total expenditures	1,117,193	1,384,856	1,434,697
Total expenditures and transfers out requiring appropriation	1,117,193	1,384,856	1,434,697
ENDING FUND BALANCES	\$ 866,748	\$ 959,505	\$ 944,459
DEBT SERVICE RESERVE	538,800	538,800	538,800
DEBT SERVICE SURPLUS	285,351	373,108	405,659
TOTAL RESERVE	\$ 824,151	\$ 911,908	\$ 944,459

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Residential	\$ 25,248,280	\$ 30,607,600	\$ 30,619,400
Commercial	5,370	4,400	9,790
Vacant land	81,850	23,390	23,390
	<u>25,335,500</u>	<u>30,635,390</u>	<u>30,652,580</u>
Certified Assessed Value	<u>\$ 25,335,500</u>	<u>\$ 30,635,390</u>	<u>\$ 30,652,580</u>

MILL LEVY

General	22.904	26.199	26.197
Debt Service	18.853	15.400	14.000
Total mill levy	<u>41.757</u>	<u>41.599</u>	<u>40.197</u>

PROPERTY TAXES

General	\$ 580,284	\$ 802,617	\$ 803,006
Debt Service	477,650	471,785	429,136
Levied property taxes	<u>1,057,934</u>	<u>1,274,402</u>	<u>1,232,142</u>
Budgeted property taxes	<u>\$ 1,057,934</u>	<u>\$ 1,274,402</u>	<u>\$ 1,232,142</u>

BUDGETED PROPERTY TAXES

General	\$ 580,284	\$ 802,617	\$ 803,006
Debt Service	477,650	471,785	429,136
	<u>\$ 1,057,934</u>	<u>\$ 1,274,402</u>	<u>\$ 1,232,142</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	580,284	802,617	803,006
Specific ownership taxes	60,756	72,918	80,301
Interest income	8,473	6,000	3,600
Other revenue	-	26,431	13,093
Total revenues	649,513	907,966	900,000
Total funds available	649,513	907,966	900,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	8,707	12,039	12,045
Contingency	-	-	13,093
Intergovernmental expenditures	640,806	895,927	874,862
Operations and maintenance			
Total expenditures	649,513	907,966	900,000
Total expenditures and transfers out requiring appropriation	649,513	907,966	900,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 716,895	\$ 824,151	\$ 911,908
REVENUES			
Property taxes	477,650	471,785	429,136
Specific ownership taxes	50,010	42,862	42,914
Interest income	47,276	50,000	46,500
Total revenues	574,936	564,647	518,550
TRANSFERS IN			
Total funds available	1,291,831	1,388,798	1,430,458
EXPENDITURES			
General and administrative			
County Treasurer's Fee	7,167	7,077	6,437
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	10,900
Debt Service			
Bond interest	266,513	260,813	254,663
Bond principal	190,000	205,000	210,000
Total expenditures	467,680	476,890	486,000
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	467,680	476,890	486,000
ENDING FUND BALANCES	\$ 824,151	\$ 911,908	\$ 944,459
DEBT SERVICE RESERVE	\$ 538,800	\$ 538,800	\$ 538,800
DEBT SERVICE SURPLUS	285,351	373,108	405,659
TOTAL RESERVE	\$ 824,151	\$ 911,908	\$ 944,459

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/4/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 39,551	\$ 42,597	\$ 47,597
REVENUES			
Interest income	3,046	5,000	1,100
Total revenues	<u>3,046</u>	<u>5,000</u>	<u>1,100</u>
TRANSFERS IN			
Total funds available	<u>42,597</u>	<u>47,597</u>	<u>48,697</u>
EXPENDITURES			
General and Administrative			
Contingency	-	-	48,697
Capital Projects			
Total expenditures	<u>-</u>	<u>-</u>	<u>48,697</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>48,697</u>
ENDING FUND BALANCES	<u>\$ 42,597</u>	<u>\$ 47,597</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2025 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 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.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

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.

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

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

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

Interest Income

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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 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).

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.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Schedule of Long Term Obligations

	Balance at December 31, 2023	Additions*	Repayments*	Balance at December 31, 2024*
Refunding Bonds Series 2020	\$ 7,915,000	\$ -	\$ 205,000	\$ 7,710,000
Bond Issue Premium	889,789	-	60,484	829,305
Developer Advances - Operating	3,626,207	-	-	3,626,207
Accrued interest - Operating	2,837,237	253,834	-	3,091,071
Developer Advances - Capital	31,291,487	-	-	31,291,487
Accrued interest - Capital	58,808,203	2,190,404	-	60,998,607
	<u>\$ 105,367,923</u>	<u>\$2,444,238</u>	<u>\$ 265,484</u>	<u>\$ 107,546,677</u>
	Balance at December 31, 2024*	Additions*	Repayments*	Balance at December 31, 2025*
Refunding Bonds Series 2020	\$ 7,710,000	\$ -	\$ 210,000	\$ 7,500,000
Bond Issue Premium	829,305	-	59,058	770,247
Developer Advances - Operating	3,626,207	-	-	3,626,207
Accrued interest - Operating	3,091,071	253,834	-	3,344,905
Developer Advances - Capital	31,291,487	-	-	31,291,487
Accrued interest - Capital	60,998,607	2,190,404	-	63,189,011
	<u>\$ 107,546,677</u>	<u>\$2,444,238</u>	<u>\$ 269,058</u>	<u>\$ 109,721,857</u>

* Estimate

The District has no operating or capital leases.

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
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>\$ 7,915,000</u>	<u>\$ 3,836,838</u>	<u>\$ 11,751,838</u>

No assurance provided. See summary of significant assumptions.