

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,229,609	\$ 1,303,059	\$ 1,105,514
REVENUES			
Property taxes	37,079	96,192	129,435
Specific ownership taxes	3,879	8,738	12,943
Interest income	156,508	77,100	32,600
Developer advance	17,589	59,435	65,017
Other revenue	-	275	94,991
Total revenues	215,055	241,740	334,986
Total funds available	4,444,664	1,544,799	1,440,500
EXPENDITURES			
General Fund	37,861	60,086	80,000
Debt Service Fund	37,299	97,199	150,000
Capital Projects Fund	3,066,445	282,000	1,210,000
Total expenditures	3,141,605	439,285	1,440,000
Total expenditures and transfers out requiring appropriation	3,141,605	439,285	1,440,000
ENDING FUND BALANCES	\$ 1,303,059	\$ 1,105,514	\$ 500
EMERGENCY RESERVE	\$ 200	\$ 400	\$ 500
TOTAL RESERVE	\$ 200	\$ 400	\$ 500

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/30/25

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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ASSESSED VALUATION

Residential	\$ 657,650	\$ 3,075,740	\$ 5,847,880
Commercial	-	160	29,570
Agricultural	6,890	6,700	4,710
State assessed	-	6,540	6,300
Vacant land	2,947,560	5,245,730	5,452,520
Certified Assessed Value	<u>\$ 3,612,100</u>	<u>\$ 8,334,870</u>	<u>\$ 11,340,980</u>

MILL LEVY

General	1.026	1.154	1.201
Debt Service	9.239	10.387	10.212
Total mill levy	<u>10.265</u>	<u>11.541</u>	<u>11.413</u>

PROPERTY TAXES

General	\$ 3,706	\$ 9,618	\$ 13,621
Debt Service	33,372	86,574	115,814
Levied property taxes	<u>37,078</u>	<u>96,192</u>	<u>129,435</u>
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	<u>\$ 37,079</u>	<u>\$ 96,192</u>	<u>\$ 129,435</u>

BUDGETED PROPERTY TAXES

General	\$ 3,708	\$ 9,618	\$ 13,621
Debt Service	33,371	86,574	115,814
	<u>\$ 37,079</u>	<u>\$ 96,192</u>	<u>\$ 129,435</u>

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2025 BUDGET

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

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 6,296	\$ (9,816)	\$ 400
REVENUES			
Property taxes	3,708	9,618	13,621
Specific ownership taxes	388	874	1,362
Interest income	64	100	100
Developer advance	17,589	59,435	65,017
Other revenue	-	275	-
Total revenues	21,749	70,302	80,100
Total funds available	28,045	60,486	80,500
EXPENDITURES			
General and administrative			
Accounting	10,776	21,000	22,000
Auditing	4,775	5,500	6,000
County Treasurer's Fee	56	144	204
Dues and membership	-	321	500
Insurance	3,021	3,121	5,000
District management	13,798	20,000	21,000
Legal	5,096	10,000	11,000
Miscellaneous	113	-	-
Election	226	-	1,000
Contingency	-	-	13,296
Operations and maintenance			
Total expenditures	37,861	60,086	80,000
Total expenditures and transfers out requiring appropriation	37,861	60,086	80,000
ENDING FUND BALANCES	\$ (9,816)	\$ 400	\$ 500
EMERGENCY RESERVE	\$ 200	\$ 400	\$ 500
AVAILABLE FOR OPERATIONS			
TOTAL RESERVE	\$ 200	\$ 400	\$ 500

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 132	\$ 761	\$ -
REVENUES			
Property taxes	33,371	86,574	115,814
Specific ownership taxes	3,491	7,864	11,581
Interest income	1,066	2,000	2,500
Other revenue	-	-	20,105
Total revenues	37,928	96,438	150,000
TRANSFERS IN			
Total funds available	38,060	97,199	150,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	501	1,299	1,737
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	20,105
Debt Service			
Bond interest	32,798	91,900	124,158
Total expenditures	37,299	97,199	150,000
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	37,299	97,199	150,000
ENDING FUND BALANCES	\$ 761	\$ -	\$ -

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/30/25

	<div> <div>ACTUAL</div> <div>2023</div> </div>	<div> <div>ESTIMATED</div> <div>2024</div> </div>	<div> <div>BUDGET</div> <div>2025</div> </div>
BEGINNING FUND BALANCES	\$ 4,223,181	\$ 1,312,114	\$ 1,105,114
REVENUES			
Interest income	155,378	75,000	30,000
Other revenue	-	-	74,886
Total revenues	155,378	75,000	104,886
Total funds available	4,378,559	1,387,114	1,210,000
EXPENDITURES			
General and Administrative			
Accounting	3,928	2,000	3,000
Contingency	-	-	74,886
Capital Projects			
Streets	2,971,083	200,000	750,000
Engineering	31,352	20,000	20,000
Sewer	11,784	30,000	50,000
Water - non utilities	48,298	30,000	312,114
Total expenditures	3,066,445	282,000	1,210,000
Total expenditures and transfers out requiring appropriation	3,066,445	282,000	1,210,000
ENDING FUND BALANCES	\$ 1,312,114	\$ 1,105,114	\$ -

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Banning Lewis Ranch Regional Metropolitan District No. 2 ("the District"), formerly Banning Lewis Ranch Metropolitan District No. 7, 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 was originally one of the Financing Districts organized in conjunction with six other related Districts - Banning Lewis Ranch Metropolitan District Nos. 1, 2, 3, 4, 5, and 6 (now Banning Lewis Ranch Regional Metropolitan District No. 1). It is the District's intention to serve as a Regional District for the continued growth within the Banning Lewis Ranch community. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

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

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

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. 2
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.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer.

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 REGIONAL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

County Treasurer's Fees

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

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The details of the District's general obligation bonds outstanding are as follows:

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds)

Bond Proceeds

The District issued the Bonds on July 29, 2021, in the par amount of \$10,380,000. Proceeds from the sale of the Bonds were used to finance or reimburse the costs of regional public improvements and pay the costs of issuing the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.750% (yield 5.1128%) per annum and are payable annually on December 1, beginning on December 1, 2021 from and to the extent of available Pledged Revenue, if any. The Bonds mature on December 1, 2051.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 1, 2061, such amounts shall be deemed discharged and no longer due and outstanding.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2026, to May 31, 2027	3.00%
June 1, 2027, to May 31, 2028	2.00
June 1, 2028, to May 31, 2029	1.00
June 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; (c) all Capital Fees, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

“Property Tax Revenues” means all monies derived from imposition by the District of the Required Mill Levy and does not include specific ownership taxes. Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

“Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of its Required Mill Levy.

“Capital Fees” means all fees, rates, tolls penalties, and charges of a capital nature (excluding periodic, recurring service charges now or hereafter imposed by the District. Capital Fees does not include the Excluded Fees or any fee imposed solely for the purpose of funding operations and maintenance expenses. Excluded Fees means certain service fees that may be imposed by the District pursuant to the District Facilities Agreement.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy upon all taxable property of the District each year in an amount equal to 9 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2017) or such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Bond Fund, will pay the Bonds in full in the year such levy is collected.

Bonds Debt Service

The annual debt service requirements of the Bonds are payable from available Pledged Revenue.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
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*
G.O. Bonds - Series 2021	10,380,000	-	-	10,380,000
Accrued interest - Series 2021	1,472,244	681,064	91,900	2,061,407
Issue Premium - Series 2021	379,957	-	1,131	378,826
Developer Advance - Operations	27,277	59,435	-	86,712
Accrued interest - Operations	1,197	3,990	-	5,187
	<u>\$ 12,260,675</u>	<u>\$ 744,489</u>	<u>\$ 93,031</u>	<u>\$ 12,912,132</u>
	Balance at December 31, 2024*	Additions*	Repayments*	Balance at December 31, 2025*
G.O. Bonds - Series 2021	10,380,000	-	-	10,380,000
Accrued interest - Series 2021	2,061,407	714,786	124,158	2,652,035
Issue Premium - Series 2021	378,826	-	1,528	377,298
Developer Advance - Operations	86,712	65,017	-	151,729
Accrued interest - Operations	5,187	8,345	-	13,532
	<u>\$ 12,912,132</u>	<u>\$ 788,148</u>	<u>\$ 125,686</u>	<u>\$ 13,574,594</u>

* Estimate

The District has no operating or capital leases.

Reserves

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

This information is an integral part of the accompanying budget.