

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

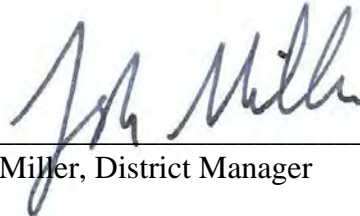
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget and budget message for BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 16, 2023. If there are any questions on the budget, please contact:

Mr. Josh Miller
CliftonLarsonAllen LLP
121 S. Tejon, Suite 1100
Colorado Springs, Colorado
Phone: 719-635-0330

I, Josh Miller as District Manager of the Banning Lewis Ranch Metropolitan District No. 5, hereby certify that the attached is a true and correct copy of the 2024 budget.

By:



Josh Miller, District Manager

CERTIFIED COPY OF RESOLUTION TO ADOPT BUDGET AND APPROPRIATE FUNDS FOR THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5-2024

STATE OF COLORADO)
) ss.
EL PASO COUNTY)

The Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5, El Paso County, Colorado, held a special meeting on Thursday, November 16, 2023 at 9158 Braemore Heights, Colorado Springs, Colorado at 9:00 a.m. In addition, the meeting was held by Microsoft Teams.

The following members of the Board of Directors were in attendance:

- President/Chair: Steve Langer
- Vice President: Dawson Hubert
- Treasurer: Vicki Niemi
- Secretary: Kathryn Giddens
- Assistant Secretary: J. Larson

Counsel reported that, prior to the meeting, each of the Directors were notified of the date, time and place of this meeting and the purpose for which it was called. Counsel further reported that this meeting is a special meeting of the Board of Directors of the District and that a Notice of Special Meeting has heretofore been posted on the District’s website at least 24-hours prior to the meeting and to the best of Counsel’s knowledge, remains posted as of the date of this meeting. A copy of the Notice of Special Meeting and a copy of the published Notice as to Public Hearing re Proposed 2024 Budget and if Necessary 2023 Amended Budget are incorporated into these proceedings.

**NOTICE OF SPECIAL MEETING
AND
NOTICE AS TO PUBLIC HEARING RE
PROPOSED 2024 BUDGET AND IF NECESSARY 2023 AMENDED BUDGET**

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

121 South Tejon St., Suite 1100

Colorado Springs, CO 80903

Phone: 719-635-0330

<http://banninglewisranchmetrodistrict.com>

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: Thursday, November 16, 2023
TIME: 9:30 a.m.
LOCATION: Banning Lewis Ranch – The Barn 9150 Braemore Heights
Colorado Springs, CO 80927

And via Microsoft Teams

You can attend the meetings in any of the following ways:

1. To attend via Microsoft Teams Videoconference use the below link:

ACCESS: https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZWFjN2U0ZWYtNDY3OS00MjE5LTg5YTQtNTMzYTM5NGI1MmJm%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d

Or call in (audio only)

[+1 720-547-5281](tel:+17205475281),187404946# United States, Denver

Phone Conference ID: 187 404 946#

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Steve Langer	Director	May, 2027
Victoria Niemi	Treasurer	May, 2027
Kathryn Giddens	Secretary	May, 2025
Dawson Hubert	Assistant Secretary	May, 2027
J. Larson	Director	May, 2025

I. ADMINISTRATIVE MATTERS

- A. Call to order and approval of agenda.
- B. Present disclosures of potential conflicts of interest.
- C. Confirm quorum, location of meeting and posting of meeting notices.

D. Public Comment.

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

E. Consider Election of Officers.

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Assistant Secretary: _____

F. Review and consider approval of minutes from the October 19, 2023 regular Board meeting (enclosure).

G. Discuss requirements of Section 32-1-809, C.R.S. and direct staff regarding compliance for 2023 (District Transparency Notice).

H. Discuss requirements of Section 32-1-306, C.R.S. and direct staff regarding compliance for 2023 (Annual Map Filing).

I. Discuss and consider approval of 2024 insurance renewal. Consider adoption of documents needed to obtain or maintain insurance coverage through the Colorado Special Districts Property and Liability Pool or T. Charles Wilson Risk Management and authorize membership in the Special District Association (enclosures).

II. FINANCIAL MATTERS

A. Review and consider acceptance September 30, 2023 Financial Statements, Cash Position Schedule and Property Tax Statements (enclosure).

B. Review and discussion regarding August 31, 2023 Special Revenue Fund Financials from Banning Lewis Ranch MD No. 1 (enclosure).

C. Conduct Public Hearing to consider amendment of the 2023 Budget. If necessary, consider adoption of Resolution to Amend the 2023 Budget (enclosure).

D. Conduct Public Hearing on the proposed 2024 Budget and consider adoption of Resolution Adopt the 2024 Budget and Appropriate Sums of Money and Set Mill Levies (enclosure).

E. Authorize District Accountant to prepare the DLG-70 Certification of Tax Levies form for certification to the Board of County Commissioners and other interested parties.

F. Discuss Execution of the DLG-70 Certification of Tax Levies.

- G. Consider appointment of District Accountant to prepare 2025 Budget.
- H. Consider approval of the engagement letter with BiggsKofford to prepare the 2023 Audit (enclosure).
- I. Review and consider adoption of the Resolution Regarding Funding Request (enclosure).

III. LEGAL MATTERS

- A. Review and consider adoption of the 2024 Annual Administrative Resolution (enclosure).
- B. Update regarding status of litigation.
- C. Update regarding Cooperation Committee Meeting.

IV. MANAGER MATTERS

- A. Review and clarify Amended CC&R's, Article 4 (enclosure).
- B. Consider approval of CliftonLarsonAllen LLP Master Service Agreement and related statement(s) of work for 2024 (enclosure).

V. DIRECTOR MATTERS

- A. Discuss OakwoodLife request to the District Board and recommendations presented to District No. 1 (Developer District).
- B. Committee updates:
 - i. Committee chair positions
 - ii. Facilities Committee
 - iii. Oakwood Life Committee
 - iv. Safety & Security Committee
 - v. Finance Committee
 - vi. Communications Committee

VI. OTHER BUSINESS

VII. ADJOURNMENT

The next regular meeting is scheduled for December 20, 2023 at 9:00 a.m.

AFFIDAVIT OF PUBLICATION

STATE OF COLORADO
COUNTY OF El Paso

I, Lorre Cosgrove, being first duly sworn, deposes and says that she is the Legal Sales Representative of The Colorado Springs Gazette, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Colorado Springs Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper **1 time(s) to wit 11/08/2023**

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.



Lorre Cosgrove
Sales Center Agent

Subscribed and sworn to me this 11/09/2023, at said City of Colorado Springs, El Paso County, Colorado.
My commission expires June 23, 2026.



Karen Hogan
Notary Public

**KAREN HOGAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20224024441
MY COMMISSION EXPIRES 06/23/2026**

PUBLIC NOTICE
NOTICE OF PUBLIC HEARING ON PROPOSED 2024 BUDGET AND AMENDED 2023 BUDGET

NOTICE IS HEREBY GIVEN that a proposed budget for the ensuing year of 2024 has been submitted to the Banning Lewis Ranch Metropolitan District No. 5 ("District"). Such proposed budget will be considered at a special meeting of the Board of Directors of the District to be held at 9:30 on November 15, 2023 at the Barn, 9150 Braemore Heights, Colorado Springs, Colorado 80927, or via telephone and videoconference. To attend and participate by telephone, dial 1 (720) 547-5281 and enter passcode 187 404 946#. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting online at www.banninglewisranchmetro-district.com.

NOTICE IS FURTHER GIVEN that an amended 2023 budget of the District may also be considered at the above-referenced meeting of the Board of Directors of the District. A copy of the proposed 2024 budget and the amended 2023 budget, if required, are available for public inspection at the offices of CliftonLarsonAllen, LLP, 121 South Tejon Street, Suite 1100 Colorado Springs, Colorado 80903. Any interested elector within the District may, at any time prior to final adoption of the 2024 budget and the amended 2023 budget, if required, file or register any objections thereto.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
By: /s/ Kathryn Giddens, Secretary
Published in The Gazette November 8, 2023.

Thereupon, Director Hubert introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, LEVYING PROPERTY TAXES FOR COLLECTION IN THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024.

WHEREAS, the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5 has authorized its budget officer 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 in accordance with law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5 OF EL PASO COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto and incorporated herein is approved and adopted as the budget of the Banning Lewis Ranch Metropolitan District No. 5 for fiscal year 2024.

Section 3. Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for the General Fund for operating expenses from property tax revenue is a total amount of \$307,646.00 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$13,297,300.00. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a total tax of 23.136 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 4. Levy of Debt Retirement Expenses. That the foregoing budget indicated that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense from property tax revenue is \$513,502.00 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$13,297,300.00. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 38.617 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 5. Certification to County Commissioners. That the Secretary of the District, is hereby authorized and directed to immediately cause to have certified to the County

Commissioners of El Paso County, the mill levy for the District hereinabove determined and set forth on the Certification of Tax Levies for Non-School Governments attached hereto.

Section 6. 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.

Section 7. Budget Certification. That the budget shall be certified by the Secretary or Assistant Secretary of the District, and made a part of the public records of the Banning Lewis Ranch Metropolitan District No. 5.

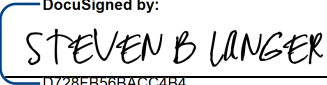
The foregoing Resolution was seconded by Director Niemi.

RESOLUTION APPROVED AND ADOPTED THIS 16th DAY OF NOVEMBER, 2023.

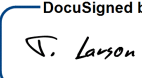
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[Banning Lewis Ranch Metropolitan District No. 5]
[2024 Budget Resolution Signature Page]

BANNING LEWIS RANCH METROPOLITAN
DISTRICT NO. 5

By:  STEVEN B LANGER
D728FB56BACC4B4
Steve Langer, President

ATTEST:

By:  J. Larson
BE28D42B8AD54C7...
J. Larson, Assistant Secretary

STATE OF COLORADO
COUNTY OF EL PASO
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

I, J. Larson, hereby certify that I am a Director and the duly elected and qualified Secretary of the Banning Lewis Ranch Metropolitan District No. 5, and that the foregoing constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5 held on Thursday, November 16, 2023 at 9158 Braemore Heights, Colorado Springs, Colorado, and also by Microsoft Teams, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were in attendance at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 16th day of November, 2023.

DocuSigned by:

BE28D42B8AD54C7...
J. Larson, Assistant Secretary

EXHIBIT A

**BUDGET DOCUMENT
AND
BUDGET MESSAGE**

{00699111}

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 102,289	\$ 947,034	\$ 1,091,135
REVENUES			
Property taxes	353,970	618,074	821,148
Specific ownership taxes	36,805	62,434	82,115
Interest income	17,116	51,800	48,200
Developer advance	927,860	20,000	-
Facilities fees	120,000	77,000	66,000
Other revenue	-	-	12,136
Total revenues	<u>1,455,751</u>	<u>829,308</u>	<u>1,029,599</u>
Total funds available	<u>1,558,040</u>	<u>1,776,342</u>	<u>2,120,734</u>
EXPENDITURES			
General Fund	156,396	274,006	351,747
Debt Service Fund	388,824	391,201	545,487
Capital Projects Fund	65,786	20,000	-
Total expenditures	<u>611,006</u>	<u>685,207</u>	<u>897,234</u>
Total expenditures and transfers out requiring appropriation	<u>611,006</u>	<u>685,207</u>	<u>897,234</u>
ENDING FUND BALANCES	<u>\$ 947,034</u>	<u>\$ 1,091,135</u>	<u>\$ 1,223,500</u>
DEBT SERVICE RESERVE (MAX OF \$565,000)	565,000	565,000	565,000
SURPLUS FUND (MAX OF \$658,500)	382,034	526,135	658,500
TOTAL RESERVE	<u>\$ 947,034</u>	<u>\$ 1,091,135</u>	<u>\$ 1,223,500</u>

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 2,117,420	\$ 7,708,550	\$ 11,214,410
Commercial	477,470	474,270	531,750
Natural Resources	-	10	10
State assessed	13,040	-	-
Vacant land	3,751,120	3,058,550	1,551,130
	<u>6,359,050</u>	<u>11,241,380</u>	<u>13,297,300</u>
Certified Assessed Value	<u>\$ 6,359,050</u>	<u>\$ 11,241,380</u>	<u>\$ 13,297,300</u>

MILL LEVY

General	22.266	21.993	23.136
Debt Service	33.398	32.989	38.617
Total mill levy	<u>55.664</u>	<u>54.982</u>	<u>61.753</u>

PROPERTY TAXES

General	\$ 141,591	\$ 247,232	\$ 307,646
Debt Service	212,380	370,842	513,502
Levied property taxes	<u>353,971</u>	<u>618,074</u>	<u>821,148</u>
Adjustments to actual/rounding	(1)	-	-
Budgeted property taxes	<u>\$ 353,970</u>	<u>\$ 618,074</u>	<u>\$ 821,148</u>

BUDGETED PROPERTY TAXES

General	\$ 141,591	\$ 247,232	\$ 307,646
Debt Service	212,379	370,842	513,502
	<u>\$ 353,970</u>	<u>\$ 618,074</u>	<u>\$ 821,148</u>

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	141,591	247,232	307,646
Specific ownership taxes	14,722	24,974	30,765
Interest income	83	1,800	1,200
Other revenue	-	-	12,136
Total revenues	156,396	274,006	351,747
Total funds available	156,396	274,006	351,747
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,124	3,708	4,615
Contingency	-	-	12,136
Intergovernmental expenditures	154,272	270,298	334,996
Operations and maintenance			
Total expenditures	156,396	274,006	351,747
Total expenditures and transfers out requiring appropriation	156,396	274,006	351,747
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 964,363	\$ 947,034	\$ 1,091,135
REVENUES			
Property taxes	212,379	370,842	513,502
Specific ownership taxes	22,083	37,460	51,350
Interest income	17,033	50,000	47,000
Facilities fees	120,000	77,000	66,000
Total revenues	371,495	535,302	677,852
Total funds available	1,335,858	1,482,336	1,768,987
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,186	5,563	7,703
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	14,653
Debt Service			
Bond interest - Series 2018A	378,638	378,638	378,638
Bond Principal - Series 2018A	-	-	20,000
Bond interest - Series 2018B	-	-	117,493
Total expenditures	388,824	391,201	545,487
Total expenditures and transfers out requiring appropriation	388,824	391,201	545,487
ENDING FUND BALANCES	\$ 947,034	\$ 1,091,135	\$ 1,223,500
DEBT SERVICE RESERVE (MAX OF \$565,000)	\$ 565,000	\$ 565,000	\$ 565,000
SURPLUS FUND (MAX OF \$658,500)	382,034	526,135	658,500
TOTAL RESERVE	\$ 947,034	\$ 1,091,135	\$ 1,223,500

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (862,074)	\$ -	\$ -
REVENUES			
Developer advance	927,860	20,000	-
Total revenues	927,860	20,000	-
Total funds available	65,786	20,000	-
EXPENDITURES			
General and Administrative			
Accounting	1,290	1,000	-
Capital Projects			
Engineering	24,780	12,000	-
Capital outlay	39,716	7,000	-
Total expenditures	65,786	20,000	-
Total expenditures and transfers out requiring appropriation	65,786	20,000	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Banning Lewis Ranch Metropolitan District No. 5 (“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. 5, 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 District Nos. 1-5. 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].

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

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.

For property tax collection year 2024, SB22-238 and SB23B-001 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.

Facilities Fees

The District assesses a system development fee of \$1,000 per lot, which is collected at time of lot sale. The budget anticipates the collection of facilities fees from 77 lots in 2023, and 66 lots in 2024. These fees are pledged toward payment of debt service of the District’s Series 2018A General Obligation Bonds.

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. 5
2024 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 operations 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 schedule from the District's Series 2018A General Obligation 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 \$6,585,000 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 5.750%. Interest will be 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, 2024. The debt to maturity schedule is provided on page 12 of the Budget.

On December 11, 2018, the District issued Subordinate General Obligation Bonds, Series 2018B (2018B Subordinate Bonds), in the principal amount of \$1,011,000 for the purpose of paying and reimbursing the costs of capital infrastructure improvements. The 2018B Subordinate Bonds have a maturity date of December 15, 2048 and carry a fixed interest rate of 8.000%. The 2018B Subordinate Bonds are cash-flow bonds and 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 \$1,942,000 for the purpose of reimbursing the costs of capital infrastructure improvements paid for by the Developer. The 2018C Junior Lien Bonds have a maturity date of December 15, 2051 and carry a fixed interest rate of 6.000% and 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 METROPOLITAN DISTRICT NO. 5
2024 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 30 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 30 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 2058 (for collection in calendar year 2059).

In the event that the method of calculating assessed valuation is changed after January 1, 2008, the minimum and maximum mill levies of 30 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 \$565,000, as well as a Surplus Fund up to a maximum amount of \$658,500. No payments may be made on the 2018B Subordinate Bonds or the 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) 30 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 2058 (for collection in calendar year 2059).

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2024 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) 30 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 2058 (for collection in calendar year 2059).

Developer Advances

The District entered into an Advance, Acquisition and Reimbursement Agreement (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 7.00% beginning on the date the advance were made to the date of repayment. The Agreement does not constitute a multiple-fiscal year obligation.

Schedule of Long Term Obligations

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023*
Developer Advance				
Developer Advance - Capital	\$ 927,860	\$ 20,000	\$ -	\$ 947,860
Accrued Interest- Capital	61,371	65,650	-	127,021
Total Developer Advance	<u>989,231</u>	<u>85,650</u>	<u>-</u>	<u>1,074,881</u>
Bonds Payable				
Series 2018A G.O. Limited Tax Bonds	6,585,000	-	-	6,585,000
Series 2018B Subordinate G.O.	1,011,000	-	-	1,011,000
Accrued Interest - Series 2018B	370,573	110,526	-	481,098
Series 2018C Subordinate G.O.	1,942,000	-	-	1,942,000
Accrued Interest - Series 2018C	711,822	212,306	-	924,128
Total Bonds Payable	<u>10,620,394</u>	<u>322,832</u>	<u>-</u>	<u>10,943,226</u>
Total Long-Term Obligations	<u>\$ 11,609,625</u>	<u>\$ 408,482</u>	<u>\$ -</u>	<u>\$ 12,018,107</u>
	Balance at December 31, 2023*	Additions*	Repayments*	Balance at December 31, 2024*
Developer Advance				
Developer Advance - Capital	\$ 947,860	\$ -	\$ -	\$ 947,860
Accrued Interest- Capital	127,021	66,350	-	193,371
Total Developer Advance	<u>1,074,881</u>	<u>66,350</u>	<u>-</u>	<u>1,141,231</u>
Bonds Payable				
Series 2018A G.O. Limited Tax Bonds	6,585,000	-	20,000	6,565,000
Series 2018B Subordinate G.O.	1,011,000	-	-	1,011,000
Accrued Interest - Series 2018B	481,098	118,976	117,493	482,582
Series 2018C Subordinate G.O.	1,942,000	-	-	1,942,000
Accrued Interest - Series 2018C	924,128	229,290	-	1,153,418
Total Bonds Payable	<u>10,943,226</u>	<u>348,266</u>	<u>137,493</u>	<u>11,153,999</u>
Total Long-Term Obligations	<u>\$ 12,018,107</u>	<u>\$ 414,616</u>	<u>\$ 137,493</u>	<u>\$ 12,295,230</u>

* Estimate

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The District has no operating or capital leases.

Reserves

Debt Service Reserve

The District maintains a Debt Service Reserve of \$565,000 as required with the issuance of the 2018A Bonds.

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.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31, Year	\$6,585,000 General Obligation Bonds Series 2018A Dated December 11, 2018 Principal Due December 1 Interest Rate 5.750% Payable June 1 and December 1		Total
	Principal	Interest	
2024	\$ 20,000	\$ 378,638	\$ 398,638
2025	70,000	377,488	447,488
2026	90,000	373,463	463,463
2027	95,000	368,288	463,288
2028	110,000	362,825	472,825
2029	115,000	356,500	471,500
2030	135,000	349,887	484,887
2031	140,000	342,125	482,125
2032	160,000	334,075	494,075
2033	165,000	324,875	489,875
2034	185,000	315,387	500,387
2035	200,000	304,750	504,750
2036	220,000	293,250	513,250
2037	230,000	280,600	510,600
2038	255,000	267,375	522,375
2039	270,000	252,712	522,712
2040	295,000	237,187	532,187
2041	315,000	220,225	535,225
2042	340,000	202,112	542,112
2043	360,000	182,562	542,562
2044	395,000	161,862	556,862
2045	415,000	139,150	554,150
2046	450,000	115,287	565,287
2047	475,000	89,412	564,412
2048	1,080,000	62,100	1,142,100
	<u>\$ 6,585,000</u>	<u>\$ 7,828,049</u>	<u>\$ 14,413,049</u>

NOTE: This debt to maturity schedule only represents the senior obligation of the District. No debt to maturity schedule has been provided for the 2018B Subordinate Bonds or the 2018C Junior Lien Bonds because amounts are payable from subordinate pledged revenue, which may or may not be sufficient to make debt service payments when due.

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. 5,

the Board of Directors (taxing entity)^A

of the Banning Lewis Ranch Metropolitan District No. 5 (governing body)^B


(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 13,297,300
(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: \$ 13,297,300
(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: 01/04/23 for budget/fiscal year 2024
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>23.136</u> mills	\$ <u>307,646</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>23.136</u> mills	\$ <u>307,646</u>
3. General Obligation Bonds and Interest ^J	<u>38.617</u> mills	\$ <u>513,502</u>
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]	<u>61.753</u> mills	\$ <u>821,148</u>

Contact person: Carrie Bartow Phone: (719)635-0330
Signed:  Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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: | 5.750% |
| | Maturity Date: | December 1, 2048 |
| | Levy: | 38.617 |
| | Revenue: | \$ 513,502 |
| | | |
| 2. | Purpose of Issue: | Public infrastructure improvements |
| | Series: | 2018B |
| | Date of Issue: | December 11, 2018 |
| | Coupon Rate: | 8.000% |
| | Maturity Date: | December 15, 2048 |
| | Levy: | 0.000 |
| | Revenue: | \$ 0 |

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.

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: | 2018C |
| | Date of Issue: | December 11, 2018 |
| | Coupon Rate: | 6.000 - 8.000% |
| | Maturity Date: | December 15, 2051 |
| | Levy: | 0.000 |
| | Revenue: | \$ 0 |
| | | |
| 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.