BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/9/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ 947,034	$ 1,066,858	$ 1,241,265
REVENUES			
Property taxes	618,074	821,148	975,789
Specific ownership taxes	64,730	76,368	97,579
Interest Income	61,103	68,200	51,300
Developer advance	10,672	21,234	-
Facilities fees	46,000	55,000	92,000
Other Revenue	-	11,532	43,802
Total revenues	800,579	1,053,482	1,260,470
Total funds available	1,747,613	2,120,340	2,501,735
EXPENDITURES			
General Fund	277,645	350,990	425,176
Debt Service Fund	391,204	508,085	853,059
Capital Projects Fund	11,906	20,000	-
Total expenditures	680,755	879,075	1,278,235
Total expenditures and transfers out requiring appropriation	680,755	879,075	1,278,235
ENDING FUND BALANCES	$ 1,066,858	$ 1,241,265	$ 1,223,500
DEBT SERVICE RESERVE (MAX OF $565,000)	565,000	565,000	565,000
SURPLUS FUND (MAX OF $658,500)	503,092	658,500	658,500
TOTAL RESERVE	$ 1,068,092	$ 1,223,500	$ 1,223,500

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/9/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION			
Residential	$ 7,708,550	$ 11,214,410	$ 12,271,670
Commercial	474,270	531,750	1,396,160
Natural Resources	10	10	10
Vacant land	3,058,550	1,551,130	2,322,150
	11,241,380	13,297,300	15,989,990
Certified Assessed Value	$ 11,241,380	$ 13,297,300	$ 15,989,990
MILL LEVY			
General	21.993	23.136	23.069
Debt Service	32.989	38.617	37.956
Total mill levy	54.982	61.753	61.025
PROPERTY TAXES			
General	$ 247,232	$ 307,646	$ 368,873
Debt Service	370,842	513,502	606,916
Levied property taxes	618,074	821,148	975,789
Budgeted property taxes	$ 618,074	$ 821,148	$ 975,789
BUDGETED PROPERTY TAXES			
General	**$ 247,232**	**$ 307,646**	**$ 368,873**
Debt Service	**370,842**	**513,502**	**606,916**
	$ 618,074	**$ 821,148**	**$ 975,789**

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/9/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Property taxes	247,232	307,646	368,873
Specific ownership taxes	25,892	28,612	36,887
Interest Income	4,521	3,200	1,300
Other Revenue	-	11,532	18,116
Total revenues	277,645	350,990	425,176
Total funds available	277,645	350,990	425,176
EXPENDITURES			
General and administrative			
County Treasurer's Fee	3,711	4,616	5,533
Contingency	-	-	18,116
Intergovernmental expenditures	273,934	346,374	401,527
Operations and maintenance			
Total expenditures	277,645	350,990	425,176
Total expenditures and transfers out requiring appropriation	277,645	350,990	425,176
ENDING FUND BALANCES	$ -	$ -	$ -

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/9/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ 947,034	$ 1,068,092	$ 1,241,265
REVENUES			
Property taxes	370,842	513,502	606,916
Specific ownership taxes	38,838	47,756	60,692
Interest Income	56,582	65,000	50,000
Facilities fees	46,000	55,000	92,000
Other Revenue	-	-	25,686
Total revenues	512,262	681,258	835,294
Total funds available	1,459,296	1,749,350	2,076,559
EXPENDITURES			
General and administrative			
County Treasurer's Fee	5,566	7,705	9,104
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	25,686
Debt Service			
Bond interest - Series 2018A	378,638	378,638	377,488
Bond principal - Series 2018A	-	20,000	70,000
Bond interest - Series 2018B	-	94,742	363,781
Total expenditures	391,204	508,085	853,059
Total expenditures and transfers out requiring appropriation	391,204	508,085	853,059
ENDING FUND BALANCES	$ 1,068,092	$ 1,241,265	$ 1,223,500
DEBT SERVICE RESERVE (MAX OF $565,000)	$ 565,000	$ 565,000	$ 565,000
SURPLUS FUND (MAX OF $658,500)	503,092	658,500	658,500
TOTAL RESERVE	$ 1,068,092	$ 1,223,500	$ 1,223,500

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

12/9/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ (1,234)	$ -
REVENUES			
Developer advance	10,672	21,234	-
Total revenues	10,672	21,234	-
Total funds available	10,672	20,000	-
EXPENDITURES			
General and Administrative			
Accounting	-	1,000	-
Capital Projects			
Engineering	8,170	12,000	-
Capital outlay	3,736	7,000	-
Total expenditures	11,906	20,000	-
Total expenditures and transfers out requiring appropriation	11,906	20,000	-
ENDING FUND BALANCES	$ (1,234)	$ -	$ -

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2025 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.

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 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 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.

Revenues (continued)

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 55 lots in 2024, and 92 lots in 2025. 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%.

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.

Debt and Leases (continued)

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.

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).

Debt and Leases (continued)

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).

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).

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

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, 2023	Additions*	Repayments*	Balance at December 31, 2024*
Developer Advance				
Developer Advance - Capital	$ 938,532	$ 21,234	$ -	$ 959,766
Accrued Interest- Capital	126,666	66,440	-	193,106
Total Developer Advance	1,065,198	87,674	-	1,152,872
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	481,099	119,052	94,742	505,409
Series 2018C Subordinate G.O.	1,942,000	-	-	1,942,000
Accrued Interest - Series 2018C	921,748	171,825	-	1,093,573
Total Bonds Payable	10,940,847	290,877	114,742	11,116,982
Total Long-Term Obligations	$ 12,006,045	$ 378,551	$ 114,742	$ 12,269,854

	Balance at December 31, 2024*	Additions*	Repayments*	Balance at December 31, 2025*
Developer Advance				
Developer Advance - Capital	$ 959,766	$ -	$ -	$ 959,766
Accrued Interest- Capital	193,106	67,184	-	260,290
Total Developer Advance	1,152,872	67,184	-	1,220,056
Bonds Payable				
Series 2018A G.O. Limited Tax Bonds	6,565,000	-	70,000	6,495,000
Series 2018B Subordinate G.O.	1,011,000	-	-	1,011,000
Accrued Interest - Series 2018B	505,409	120,100	363,781	261,728
Series 2018C Subordinate G.O.	1,942,000	-	-	1,942,000
Accrued Interest - Series 2018C	1,093,573	182,134	-	1,275,707
Total Bonds Payable	11,116,982	302,234	433,781	10,985,435
Total Long-Term Obligations	$ 12,269,854	$ 369,418	$ 433,781	$ 12,205,491

* Estimate

The District has no operating or capital leases.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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		
	Principal	Interest	Total
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
	$ 6,565,000	$ 6,313,497	$ 12,878,497

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.