BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2025 ANNUAL REPORT

City of Colorado Springs, Colorado Director of Budget Department *via Email*	County Clerk and Recorder El Paso County, Colorado *via Email*
Office of the State Auditor 1525 Sherman Street, 7th Floor Denver, Colorado 80203 *via E-Filing Portal*	Division of Local Government 1313 Sherman Street, Room 521 Denver, Colorado 80203 *via E-Filing Portal*

Pursuant to Section 32-1-207(3)(c)(I), C.R.S., and Article VII.A of the Coordinated Service Plan for the Banning Lewis Ranch Metropolitan District No. 3 (the "**District**"), the District is required to submit an annual report for the preceding calendar year (the "**Report**") no later than August 1st of each year to the City of Colorado Springs, Colorado (the "**City**"), the Colorado Division of Local Government, the Colorado State Auditor, the County Clerk and Recorder; the Report must also be posted on the District's website, if available.

For the year ending December 31, 2025, the District makes the following report:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

   None.

2. Intergovernmental agreements with other governmental entities, either entered into, terminated or proposed as of December 31 of the prior year.

   None.

3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.

   A copy of the District's rules and regulations effective November 19, 2020 is available at https://blrmd.specialdistrict.org/files/9e03382de/Northtree+Rules+and+Regulations%2C+Effective+11-19-2020.pdf

4. A summary of any litigation which involves the District's Public Improvements as of December 31 of the prior year.

   None.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

   There was no new construction in 2025.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

   None.

7. The assessed valuation of the District for the current year.

   The assessed valuation of the District for the current year is $30,217,120.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

   Attached as **Exhibit A**.

9. Audit of the District financial statements for the year ending December 31 of the previous year prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

   The 2025 Audit is in process and, upon completion and filing, will be available at https://apps.leg.co.gov/osa/lg/submissions/search.

10. Notice of any uncured events of noncompliance by the District under any Debt instrument, which continue beyond a 90-day period.

    None.

11. Any inability of the District to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.

    None.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

    None.

EXHIBIT A

2026 Budget

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 866,748	$ 962,960	$ 1,003,109
REVENUES			
Property taxes	1,274,074	1,231,833	1,192,700
Specific ownership taxes	119,647	117,202	113,307
Interest Income	62,245	48,200	41,500
Other Revenue	26,432	-	14,222
Total revenues	1,482,398	1,397,235	1,361,729
Total funds available	2,349,146	2,360,195	2,364,838
EXPENDITURES			
General Fund	909,295	881,986	860,000
Debt Service Fund	476,891	475,100	496,000
Capital Projects Fund	-	-	50,949
Total expenditures	1,386,186	1,357,086	1,406,949
Total expenditures and transfers out requiring appropriation	1,386,186	1,357,086	1,406,949
ENDING FUND BALANCES	$ 962,960	$ 1,003,109	$ 957,890
DEBT SERVICE RESERVE	538,800	538,800	538,800
DEBT SERVICE SURPLUS	377,611	414,360	419,090
TOTAL RESERVE	$ 916,411	$ 953,160	$ 957,890

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ 30,607,600	$ 30,619,400	$ 30,210,720
Commercial	4,400	9,790	4,370
Vacant land	23,390	23,390	2,030
Certified Assessed Value	$ 30,635,390	$ 30,652,580	$ 30,217,120
MILL LEVY			
General	26.199	26.197	25.471
Debt Service	15.400	14.000	14.000
Total mill levy	41.599	40.197	39.471
PROPERTY TAXES			
General	$ 802,617	$ 803,006	$ 769,660
Debt Service	471,785	429,136	423,040
Levied property taxes	1,274,402	1,232,142	1,192,700
Adjustments to actual/rounding	(1)	-	-
Refunds and abatements	(327)	(309)	-
Budgeted property taxes	$ 1,274,074	$ 1,231,833	$ 1,192,700
BUDGETED PROPERTY TAXES			
General	**$ 802,410**	**$ 802,804**	**$ 769,660**
Debt Service	**471,664**	**429,029**	**423,040**
	$ 1,274,074	**$ 1,231,833**	**$ 1,192,700**

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Property taxes	802,410	802,804	769,660
Specific ownership taxes	75,354	76,382	73,118
Interest Income	5,099	2,800	3,000
Other Revenue	26,432	-	14,222
Total revenues	909,295	881,986	860,000
Total funds available	909,295	881,986	860,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	12,043	12,045	11,545
Contingency	-	-	14,222
Intergovernmental expenditures	897,252	869,941	834,233
Total expenditures	909,295	881,986	860,000
Total expenditures and transfers out requiring appropriation	909,295	881,986	860,000
ENDING FUND BALANCES	$ -	$ -	$ -

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 824,151	$ 916,411	$ 953,160
REVENUES			
Property taxes	471,664	429,029	423,040
Specific ownership taxes	44,293	40,820	40,189
Interest Income	53,194	42,000	37,500
Total revenues	569,151	511,849	500,729
Total funds available	1,393,302	1,428,260	1,453,889
EXPENDITURES			
General and administrative			
County Treasurer's Fee	7,079	6,437	6,346
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	10,716
Debt Service			
Bond interest	260,812	254,663	249,938
Bond principal	205,000	210,000	225,000
Total expenditures	476,891	475,100	496,000
Total expenditures and transfers out requiring appropriation	476,891	475,100	496,000
ENDING FUND BALANCES	$ 916,411	$ 953,160	$ 957,890
DEBT SERVICE RESERVE	$ 538,800	$ 538,800	$ 538,800
DEBT SERVICE SURPLUS	377,611	414,360	419,090
TOTAL RESERVE	$ 916,411	$ 953,160	$ 957,890

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 42,597	$ 46,549	$ 49,949
REVENUES			
Interest Income	3,952	3,400	1,000
Total revenues	3,952	3,400	1,000
Total funds available	46,549	49,949	50,949
EXPENDITURES			
General and Administrative			
Contingency	-	-	50,949
Total expenditures	-	-	50,949
Total expenditures and transfers out requiring appropriation	-	-	50,949
ENDING FUND BALANCES	$ 46,549	$ 49,949	$ -

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTION

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.

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 [and to make up any deficiencies in the Reserve Fund].

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 2026, HB24B-1001 set the assessment rates as follows

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			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 9.5% 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 4.00%.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTION

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.

Debt and Leases (continued)

Schedule of Long Term Obligations

	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	3,091,072	253,834	-	3,344,906
Developer Advances - Capital	31,291,487	-	-	31,291,487
Accrued interest - Capital	60,998,607	2,190,404	-	63,189,011
	$ 107,546,678	$ 2,444,238	$ 269,058	$ 109,721,858

	Balance at December 31, 2025*	Additions*	Repayments*	Balance at December 31, 2026*
Refunding Bonds Series 2020	$ 7,500,000	$ -	$ 225,000	$ 7,275,000
Bond Issue Premium	770,247	-	57,962	712,285
Developer Advances - Operating	3,626,207	-	-	3,626,207
Accrued interest - Operating	3,344,906	253,834	-	3,598,740
Developer Advances - Capital	31,291,487	-	-	31,291,487
Accrued interest - Capital	63,189,011	2,190,404	-	65,379,415
	$ 109,721,858	$ 2,444,238	$ 282,962	$ 111,883,134

* 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
2026 BUDGET
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	$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		
Year	Principal	Interest	Total
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
	$ 7,500,000	$ 3,321,363	$ 10,821,363