BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2

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. 2 (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 $29,515,790.

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. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 1,329,393	$ 1,715,836	$ 1,836,660
REVENUES			
Property taxes	1,638,787	1,426,721	1,371,569
Specific ownership taxes	153,872	135,726	130,299
Interest Income	98,914	86,770	73,788
Other Revenue	26,673	-	14,059
Total revenues	1,918,246	1,649,217	1,589,715
TRANSFERS IN	-	26,673	-
Total funds available	3,247,639	3,391,726	3,426,375
EXPENDITURES			
General Fund	864,754	866,332	840,000
Debt Service Fund	659,249	656,061	665,247
Capital Projects Fund	7,800	6,000	115,000
Total expenditures	1,531,803	1,528,393	1,620,247
TRANSFERS OUT	-	26,673	-
Total expenditures and transfers out requiring appropriation	1,531,803	1,555,066	1,620,247
ENDING FUND BALANCES	$ 1,715,836	$ 1,836,660	$ 1,806,128
DEBT SERVICE RESERVE	390,944	390,944	390,944
TOTAL RESERVE	$ 417,617	$ 390,944	$ 390,944

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/11/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ 29,775,920	$ 29,779,040	$ 29,494,830
Commercial	3,770	10,060	8,990
State assessed	7,400	7,300	6,700
Vacant land	5,440	5,440	5,270
Certified Assessed Value	$ 29,792,530	$ 29,801,840	$ 29,515,790
MILL LEVY			
General	26.381	26.379	25.469
Debt Service	28.631	21.500	21.000
Total mill levy	55.012	47.879	46.469
PROPERTY TAXES			
General	$ 785,957	$ 786,143	$ 751,738
Debt Service	852,990	640,739	619,831
Levied property taxes	1,638,947	1,426,882	1,371,569
Refunds and abatements	(160)	(161)	-
Budgeted property taxes	$ 1,638,787	$ 1,426,721	$ 1,371,569
BUDGETED PROPERTY TAXES			
General	**$ 785,880**	**$ 786,054**	**$ 751,738**
Debt Service	**852,907**	**640,667**	**619,831**
	$ 1,638,787	**$ 1,426,721**	**$ 1,371,569**

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/11/25

	ACTUAL 2024	ESTIMATED 2025	BUDGE 2026
BEGINNING FUND BALANCES	$ -	$ 26,673	$ -
REVENUES			
Property taxes	785,880	786,054	751,738
Specific ownership taxes	73,790	74,778	71,415
Interest Income	5,084	5,500	2,788
Other Revenue	26,673	-	14,059
Total revenues	891,427	866,332	840,000
Total funds available	891,427	893,005	840,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	11,794	11,792	11,276
Directors' fees	2,500	1,900	2,000
Banking fees	69	15	-
Payroll taxes	191	150	160
Contingency	-	-	14,059
Intergovernmental expenditures	850,200	852,475	812,505
Total expenditures	864,754	866,332	840,000
TRANSFERS OUT			
Transfers to other fund	-	26,673	-
Total expenditures and transfers out requiring appropriation	864,754	893,005	840,000
ENDING FUND BALANCES	$ 26,673	$ -	$ -

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/11/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 1,150,300	$ 1,504,705	$ 1,620,259
REVENUES			
Property taxes	852,907	640,667	619,831
Specific ownership taxes	80,082	60,948	58,884
Interest Income	80,665	70,000	65,000
Total revenues	1,013,654	771,615	743,715
Total funds available	2,163,954	2,276,320	2,363,974
EXPENDITURES			
General and administrative			
County Treasurer's Fee	12,799	9,611	9,297
Paying agent fees	3,000	3,000	3,000
Debt Service			
Bond interest	443,450	433,450	422,950
Bond principal	200,000	210,000	230,000
Total expenditures	659,249	656,061	665,247
Total expenditures and transfers out requiring appropriation	659,249	656,061	665,247
ENDING FUND BALANCES	$ 1,504,705	$ 1,620,259	$ 1,698,727
DEBT SERVICE RESERVE	$ 390,944	$ 390,944	$ 390,944
TOTAL RESERVE	$ 390,944	$ 390,944	$ 390,944

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/11/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 179,093	$ 184,458	$ 216,401
REVENUES			
Interest Income	13,165	11,270	6,000
Total revenues	13,165	11,270	6,000
TRANSFERS IN			
Transfers from other funds	-	26,673	-
Total funds available	192,258	222,401	222,401
EXPENDITURES			
General and Administrative			
Contingency	-	-	15,000
Capital Projects			
Capital outlay	7,800	6,000	100,000
Total expenditures	7,800	6,000	115,000
Total expenditures and transfers out requiring appropriation	7,800	6,000	115,000
ENDING FUND BALANCES	$ 184,458	$ 216,401	$ 107,401

See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Banning Lewis Ranch Metropolitan District No. 2 (“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. 2, 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 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.

During elections held on November 1, 2005, the District’s voters authorized total general obligation indebtedness of $929,500,000 for the above listed facilities and powers as well as for refunding debt. The elections also approved annual increases in property taxes of up to $8,000,000, without limitation to rate, to pay the District’s operations and maintenance costs. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Service Plan, District No. 2 is permitted to issue bond indebtedness of up to $84,500,000.

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 the 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.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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.

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%

Revenues (Continued)

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%.

Expenditures

County Treasurer’s Fees

County Treasurer’s collection fees have been computed at 1.5% of property taxes.

Administrative Expenditures

The District has budgeted for administrative expenditures related to the payment of fees to the board of directors, as well as a contingency for unexpected expenditures. Directors are paid $100 per meeting, up to a maximum of $2,400 per director per year.

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 and other administrative expenditures, are expected to be transferred to District No. 1, the Operating District, which pays all other administrative expenditures of the District.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the District’s Series 2016 General Obligation Refunding Bonds (discussed under Debt and Leases).

Capital Outlay

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

On December 8, 2016, the District issued General Obligation Refunding Bonds, Series 2016 (2016 Bonds), in the principal amount of $11,310,000, for the purpose of (1) refunding the District's General Obligation Limited Tax Bonds, Series 2013, (2) refunding the District's Subordinate General Obligation Limited Tax Bonds, Series 2014, (3) purchasing an insurance policy for the 2016 Bonds, and (4) paying the costs of issuing the 2016 Bonds. The 2016 Bonds have an anticipated maturity date of December 1, 2046, and are comprised of term and serial bonds with an interest rate between 2.000% and 5.000%.

For the purpose of paying the principal of, premium if any, and interest on the Bonds and if necessary replenishing the Reserve Fund up to the Required Reserve, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2016 to 2045, inclusive (and, to the extent necessary to make up any overdue payments on the Bonds, in each year subsequent to 2045), without limitation of rate and in amounts sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable.

The 2016 Bonds are further secured by amounts held by the Trustee in the Reserve Fund in the amount of $390,944.

Schedule of Long Term Obligations

	Balance at December 31, 2024	Additions*	Repayments*	Balance at December 31, 2025*
Seires 2016 G.O. Bonds	$ 10,295,000	$ -	$ 210,000	$ 10,085,000
Bond Issue Discount:	(66,982)	-	(4,807)	(62,175)
	$ 10,228,018	$ -	$ 205,193	$ 10,022,825

	Balance at December 31, 2025*	Additions*	Repayments*	Balance at December 31, 2026*
Seires 2016 G.O. Bonds	$ 10,085,000	$ -	$ 230,000	$ 9,855,000
Bond Issue Discount:	(62,175)	-	(4,691)	(57,485)
	$ 10,022,825	$ -	$ 225,309	$ 9,797,515

* Estimate

The District has no operating or capital leases.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserves

Debt Service Reserve

The District maintains a Debt Service Reserve of $390,944 as required with the issuance of the Series 2016 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 subject to TABOR are transferred to District No. 1, which pays for all District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2026 Budget. The Emergency Reserve for these revenues is reflected in District No. 1.

This information is an integral part of the accompanying budget.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	$11,310,000 General Obligation Refunding Bonds Series 2016 Dated December 8, 2016 Principal Due December 1 Interest Rate 2.00% - 5.00% Payable June 1 and December 1		
Year	Principal	Interest	Total
2026	$ 230,000	$ 422,950	$ 652,950
2027	240,000	411,450	651,450
2028	265,000	399,450	664,450
2029	280,000	386,200	666,200
2030	305,000	373,776	678,776
2031	320,000	361,194	681,194
2032	345,000	347,994	692,994
2033	360,000	333,763	693,763
2034	390,000	318,912	708,912
2035	405,000	302,825	707,825
2036	435,000	286,119	721,119
2037	455,000	268,175	723,175
2038	485,000	248,837	733,837
2039	510,000	228,225	738,225
2040	545,000	206,550	751,550
2041	565,000	183,387	748,387
2042	605,000	159,375	764,375
2043	630,000	133,662	763,662
2044	675,000	106,887	781,887
2045	700,000	78,200	778,200
2046	1,140,000	48,450	1,188,450
	$ 9,885,000	$ 5,606,381	$ 15,491,381