

LETTER OF BUDGET TRANSMITTAL

Date: January 19, 2011

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

Attached are the 2011 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 December 6, 2010. If there are any questions on the budget, please contact

David B. Peak, District Manager
8390 E. Crescent Pkwy., Suite 500
Greenwood Village, CO 80111
Telephone number: 303-779-4525

I, David B. Peak, District Manager of the Banning Lewis Ranch Metropolitan District No. 5, hereby certify that the attached is a true and correct copy of the 2011 budget.

By:



David B. Peak, District Manager

**RESOLUTION
TO ADOPT 2011 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2011 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS 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, 2011, AND ENDING ON THE LAST DAY OF DECEMBER, 2011,

WHEREAS, the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 5 has authorized its consultants 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 or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 6, 2010, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters is \$0; and

WHEREAS, the 2010 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$990; and

WHEREAS, at an election held on November 7, 2006, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

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. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Banning Lewis Ranch Metropolitan District No. 5 for calendar year 2011.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. 2011 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2011 as follows:

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2011 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2010.

B. Levy for Debt Service Fund. That for the purposes of meeting all debt retirement expense of the District during the 2011 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2010.

C. Levy for Abatement. That for the purposes of recoupment of the abatement of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2010.

D. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2010.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2011 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2010.

F. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2011 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2010.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the Secretary of the District is hereby authorized and directed to certify by December 15, 2010, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2010, in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.

ADOPTED this 6th day of December, 2010.



(S E A L)

ATTEST:


Secretary

BANNING LEWIS RANCH
METROPOLITAN DISTRICT NO. 5


President

ATTACH COPY OF THE ADOPTED BUDGET
ATTACH COPY OF THE CERTIFICATION OF TAX LEVIES



Accountant's Compilation Report

Board of Directors
Banning Lewis Ranch Metropolitan District No. 5
El Paso County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Banning Lewis Ranch Metropolitan District No. 5 for the General Fund for the year ending December 31, 2011, including the forecasted estimate of comparative information for the year ending December 31, 2010, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2009 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2009.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Banning Lewis Ranch Metropolitan District No. 5.

Clifton Gunderson LLP

Colorado Springs, Colorado
December 6, 2010

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
FORECASTED 2011 BUDGET AS ADOPTED
WITH 2009 ACTUAL AND 2010 ESTIMATED
For the Years Ended and Ending December 31,

12/6/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/6/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
ASSESSED VALUATION - EL PASO			
Agricultural	\$ 940	\$ 990	\$ 990
Certified Assessed Value	\$ 940	\$ 990	\$ 990
MILL LEVY			
GENERAL FUND			
Total Mill Levy	-	-	-
PROPERTY TAXES			
GENERAL FUND			
Levied property taxes	\$ -	\$ -	\$ -
Budgeted Property Taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2011 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 six other related Districts - Banning Lewis Ranch Metropolitan District Nos. 1, 2, 3, 4, 7 and Banning Lewis Ranch Regional Metropolitan District (formerly District No. 6). 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 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 contractual.

The District prepares its budget on the modified accrual basis of accounting.

Revenue

The District currently has no revenue.

Expenditures

The District currently has no expenditures.

Debt and Leases

The District has no outstanding debt and has no operating or capital leases.

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since the District does not anticipate generating any revenue nor incurring any expense, an emergency reserve is not reflected.

This information is an integral part of the accompanying forecasted budget.

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
(taxing entity)^A
the Board of Directors
(governing body)^B
of the Banning Lewis Ranch Metropolitan District No. 5
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 990 assessed valuation of: (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: \$ 990 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/06/2010 for budget/fiscal year 2011
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>0.000</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	0.000	\$ 0
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
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]	0.000 mills	\$ 0

Contact person: (print) Christine Harwell Daytime phone: (303) 779-5710
Signed: Christine Harwell Title: Accountant for the District

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) 866-2156.

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:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS:

- 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.

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO,} ss.
COUNTY OF EL PASO}

I, Mark Singletary, Publisher, or the undersigned Authorized Agent of the Publisher, do solemnly swear that I am the Publisher, or Authorized Agent of the Publisher of The Transcript; that the same is a triweekly newspaper printed, in whole or in part and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a triweekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said triweekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

22, NOVEMBER, A.D. 2010.

And that the last publication of said notice was in the issue of said newspaper dated:

22, NOVEMBER, A.D. 2010.

In witness whereof, I have hereunto set my hand this 22nd day of November, A.D. 2010.



Publisher/Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 22nd day of November, A.D., 2010.



Notary Public

My Commission Expires 12-03-13



NOTICE OF PROPOSED 2011 BUDGETS
NOTICE TO AMEND 2010 BUDGETS
OF

- BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
- BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
- BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
- BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
- BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
- BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 7
- BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT

NOTICE IS HEREBY GIVEN that proposed 2011 budgets have been submitted to the Boards of Directors of the above referenced Districts for the ensuing year 2011; that copies of such proposed budgets have been filed in the office of the Districts located at R. S. Wells L.L.C., 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, where same are open for public inspection; and that such proposed budgets will be considered at a special meeting of the Boards of Directors of the Districts to be held at the offices of the Banning Lewis Ranch Management Company, 90 S. Cascade, Suite 950, Colorado Springs, Colorado, on December 6, 2010 at 10:00 a.m.

NOTICE IS FURTHER GIVEN that the Boards of Directors of the above referenced Districts may consider amending the Districts 2010 budgets at this meeting, if necessary.

Any elector within the Districts may, at any time prior to the final adoption of the 2011 budgets or 2010 budget amendments, inspect the budgets and file or register any objections thereto. These meetings are open to the public.

BY ORDER OF THE
BOARDS OF DIRECTORS;
/s/ R. S. Wells L.L.C., Manager
Publication Date: November 22, 2010
Published in The Transcript
DT20094

**NOTICE OF PROPOSED 2011 BUDGETS
NOTICE TO AMEND 2010 BUDGETS**

OF

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 4
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 7
BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT**

NOTICE IS HEREBY GIVEN that proposed 2011 budgets have been submitted to the Boards of Directors of the above referenced Districts for the ensuing year 2011; that copies of such proposed budgets have been filed in the office of the Districts located at R. S. Wells L.L.C., 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, where same are open for public inspection; and that such proposed budgets will be considered at a special meeting of the Boards of Directors of the Districts to be held at the offices of the Banning Lewis Ranch Management Company, 90 S. Cascade, Suite 950, Colorado Springs, Colorado, on December 6, 2010 at 10:00 a.m.

NOTICE IS FURTHER GIVEN that the Boards of Directors of the above referenced Districts may consider amending the Districts 2010 budgets at this meeting, if necessary.

Any elector within the Districts may, at any time prior to the final adoption of the 2011 budgets or 2010 budget amendments, inspect the budgets and file or register any objections thereto. These meetings are open to the public.

BY ORDER OF THE BOARDS OF DIRECTORS;

/s/ R. S. Wells L.L.C., Manager

Publish In: The Daily Transcript
Publish On: November 22, 2010
(one time only)