

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

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

Attached are the 2023 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 October 31, 2022. 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 2023 budget.

By:



Josh Miller, District Manager

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

**NOTICE OF REGULAR MEETING
AND
NOTICE AS TO PUBLIC HEARING RE
PROPOSED 2023 BUDGET AND IF NECESSARY 2022 AMENDED BUDGET**

{00625531}

Thereupon, Director Cass 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 2023 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, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023.

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 October 31, 2022, 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 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, 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 2023.

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 \$247,232 and that the 2022 valuation for assessment, as certified by the El Paso County Assessor, is \$11,241,380. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a total tax of 21.993 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

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 \$370,842 and that the 2022 valuation for assessment, as certified by the El Paso County Assessor, is \$11,241,380. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 32.989 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

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.

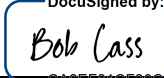
The foregoing Resolution was seconded by Director Hubert.

RESOLUTION APPROVED AND ADOPTED THIS 31ST DAY OF OCTOBER, 2022.

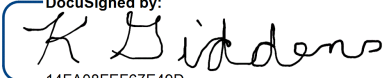
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[Banning Lewis Ranch Metropolitan District No. 5]
[2023 Budget Resolution Signature Page]

BANNING LEWIS RANCH METROPOLITAN
DISTRICT NO. 5

By: 
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Robert Cass, President

ATTEST:

By: 
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Kathryn Giddens, Secretary

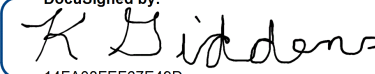
STATE OF COLORADO
COUNTY OF EL PASO
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

I, Kathryn Giddens, 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 Monday, October 31 2022 at 9158 Braemore Heights, Colorado Springs, Colorado, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; 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 31st day of October, 2022.



[SEAL]

DocuSigned by:

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Kathryn Giddens, Secretary

EXHIBIT A

**BUDGET DOCUMENT
AND
BUDGET MESSAGE**

{00625531}

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,126,094	\$ 102,289	\$ 957,948
REVENUES			
Property taxes	191,162	353,970	618,074
Specific ownership tax	22,449	35,550	61,807
Interest income	441	4,760	15,200
Other revenue	-	-	6,303
Facilities fees	97,000	144,000	73,000
Developer advance	-	1,100,000	-
Total revenues	<u>311,052</u>	<u>1,638,280</u>	<u>774,384</u>
Total funds available	<u>1,437,146</u>	<u>1,740,569</u>	<u>1,732,332</u>
EXPENDITURES			
General Fund	85,453	155,871	278,358
Debt Service Fund	387,330	388,824	399,813
Capital Projects Fund	862,074	237,926	-
Total expenditures	<u>1,334,857</u>	<u>782,621</u>	<u>678,171</u>
Total expenditures and transfers out requiring appropriation	<u>1,334,857</u>	<u>782,621</u>	<u>678,171</u>
ENDING FUND BALANCES	<u>\$ 102,289</u>	<u>\$ 957,948</u>	<u>\$ 1,054,161</u>
DEBT SERVICE RESERVE (MAX OF \$565,000)	\$ 565,000	\$ 565,000	\$ 565,000
SURPLUS FUND (MAX OF \$658,500)	399,363	392,948	489,161
TOTAL RESERVE	<u>\$ 964,363</u>	<u>\$ 957,948</u>	<u>\$ 1,054,161</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Single Family Residential	\$ 162,470	\$ 2,117,420	\$ 7,708,550
Commercial	-	477,470	474,270
Natural Resources	-	-	10
State assessed	299,810	13,040	-
Vacant land	2,971,950	3,751,120	3,058,550
	<u>3,434,230</u>	<u>6,359,050</u>	<u>11,241,380</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 3,434,230</u>	<u>\$ 6,359,050</u>	<u>\$ 11,241,380</u>
MILL LEVY			
General	22.266	22.266	21.993
Debt Service	33.398	33.398	32.989
Total mill levy	<u>55.664</u>	<u>55.664</u>	<u>54.982</u>
PROPERTY TAXES			
General	\$ 76,467	\$ 141,591	\$ 247,232
Debt Service	114,696	212,379	370,842
	<u>191,163</u>	<u>353,970</u>	<u>618,074</u>
Levied property taxes	191,163	353,970	618,074
Adjustments to actual/rounding	(1)	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 191,162</u>	<u>\$ 353,970</u>	<u>\$ 618,074</u>
BUDGETED PROPERTY TAXES			
General	\$ 76,467	\$ 141,591	\$ 247,232
Debt Service	114,695	212,379	370,842
	<u>\$ 191,162</u>	<u>\$ 353,970</u>	<u>\$ 618,074</u>

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	76,467	141,591	247,232
Specific ownership tax	8,980	14,220	24,723
Interest income	6	60	100
Other revenue	-	-	6,303
Total revenues	<u>85,453</u>	<u>155,871</u>	<u>278,358</u>
Total funds available	<u>85,453</u>	<u>155,871</u>	<u>278,358</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,176	2,124	3,708
Contingency	-	-	6,303
Operations and maintenance			
Transfers to BLR 1 O&M Taxes	84,277	153,747	268,347
Total expenditures	<u>85,453</u>	<u>155,871</u>	<u>278,358</u>
Total expenditures and transfers out requiring appropriation	<u>85,453</u>	<u>155,871</u>	<u>278,358</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,126,094	\$ 964,363	\$ 957,948
REVENUES			
Property taxes	114,695	212,379	370,842
Specific ownership tax	13,469	21,330	37,084
Interest income	435	4,700	15,100
Facilities fees	97,000	144,000	73,000
Total revenues	225,599	382,409	496,026
Total funds available	1,351,693	1,346,772	1,453,974
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,692	3,186	5,563
Contingency	-	-	8,612
Debt Service			
Bond interest - 2018A Series	378,638	378,638	378,638
Paying agent fees	7,000	7,000	7,000
Total expenditures	387,330	388,824	399,813
Total expenditures and transfers out requiring appropriation	387,330	388,824	399,813
ENDING FUND BALANCE	\$ 964,363	\$ 957,948	\$ 1,054,161
DEBT SERVICE RESERVE (MAX OF \$565,000)	\$ 565,000	\$ 565,000	\$ 565,000
SURPLUS FUND (MAX OF \$658,500)	399,363	392,948	489,161
TOTAL RESERVE	\$ 964,363	\$ 957,948	\$ 1,054,161

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ (862,074)	\$ -
REVENUES			
Developer advance	-	1,100,000	-
Total revenues	-	1,100,000	-
Total funds available	-	237,926	-
EXPENDITURES			
Capital Projects			
Engineering	9,611	17,926	-
Capital outlay	852,463	220,000	-
Total expenditures	862,074	237,926	-
Total expenditures and transfers out requiring appropriation	862,074	237,926	-
ENDING FUND BALANCE	\$ (862,074)	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2023 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.

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.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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.

Developer Advance

Developer advances are expected to fund a major portion of capital expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

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 144 lots in 2022, and 73 lots in 2023. 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 1.5%.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

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
2023 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
2023 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.

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Developer Advance				
Developer Advance - Capital	\$ -	1,100,000		\$ 1,100,000
Accrued Interest- Capital	-	63,060		63,060
Total Developer Advance	-	1,163,060	-	1,163,060
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	280,433	107,619	-	388,052
Series 2018C Subordinate G.O.	1,942,000	-	-	1,942,000
Accrued Interest - Series 2018C	538,675	206,723	-	745,398
Total Bonds Payable	10,357,108	314,342	-	10,671,450
Total Long-Term Obligations	<u>\$ 10,357,108</u>	<u>\$ 1,477,402</u>	<u>\$ -</u>	<u>\$ 11,834,510</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Developer Advance				
Developer Advance - Capital	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
Accrued Interest- Capital	63,060	77,000	-	140,060
Total Developer Advance	1,163,060	77,000	-	1,240,060
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	388,052	116,588	-	504,640
Series 2018C Subordinate G.O.	1,942,000	-	-	1,942,000
Accrued Interest - Series 2018C	745,398	223,950	-	969,348
Total Bonds Payable	10,671,450	340,538	-	11,011,988
Total Long-Term Obligations	<u>\$ 11,834,510</u>	<u>\$ 417,538</u>	<u>\$ -</u>	<u>\$ 12,252,048</u>

* Estimate

The District has no operating or capital leases.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 5
2023 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.

This information is an integral part of the accompanying budget.

**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	
2023	\$ -	\$ 378,638	\$ 378,638
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, 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: | 32.989 |
| | Revenue: | \$ 370,842 |
| <hr/> | | |
| 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 |
| <hr/> | | |
| 3. | 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 |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 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.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

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

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper 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 tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

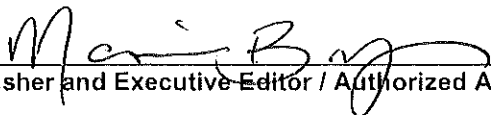
That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue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

24, OCTOBER, A.D. 2022.

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

24, OCTOBER, A.D. 2022.

In witness whereof, I have hereunto set my hand this 24th day of October, A.D. 2022.

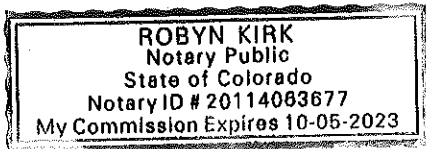


Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 24th day of October, A.D. 2022.



Notary Public



NOTICE OF PUBLIC HEARING ON PROPOSED 2023 BUDGET AND AMENDED 2022 BUDGET
NOTICE IS HEREBY GIVEN that a proposed budget for the ensuing year of 2023 has been submitted to the Banning Lewis Ranch Metropolitan District No. 5 ("District"). Such proposed budget will be considered at a regular meeting of the Board of Directors of the District to be held at 11:00 a.m. on October 31, 2022 at the Banning Lewis Ranch Sales Center 9158 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 164 185 227#. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting online at www.banninglewisranchmetrodistrict.com or by contacting Chelsea Falks by email at Chelsea.falks@claconnect.com or by telephone at (719) 635-0330.
NOTICE IS FURTHER GIVEN that an amended 2022 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 2023 budget and the amended 2022 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 2023 budget and the amended 2022 budget, if required, file or register any objections thereto.
BANNING LEWIS RANCH
METROPOLITAN
DISTRICT NO. 5
By: /s/ Bob Cass, President
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