

LETTER OF BUDGET TRANSMITTAL

Date: January 25, 2017
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2017 budget and budget message for BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 1, 2016. If there are any questions on the budget, please contact:

Cynthia M. Beyer, District Manager
c/o CliftonLarsonAllen, LLP
8390 E. Crescent Pkwy., Suite 500
Greenwood Village, CO 80111
Tel.: (303)779-4525

I, Cynthia M. Beyer, as District Manager of the Banning Lewis Ranch Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2017 budget.

By:



Cynthia M. Beyer, District Manager

Cynthia M. Beyer, District Manager

**RESOLUTION NO. 2016-12-01
TO ADOPT 2017 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2017 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. 1, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2017, AND ENDING ON THE LAST DAY OF DECEMBER, 2017,

WHEREAS, the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 1 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 1, 2016, 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 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 from property tax revenue is \$0; and

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

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2016 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$720; and

WHEREAS, at an election held on November 1, 2005, 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. 1 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. 1 for calendar year 2017.

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. 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 2017 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2017 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 2016.

B. 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 2016.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2017 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 2016.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2017 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 2016.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2017 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 2016.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements 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 2016.

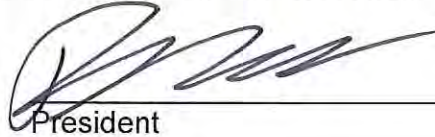
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2016, 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, 2016, 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 1st day of December, 2016.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1



President

ATTEST:



Secretary



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

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. 1,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 720 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: \$ 720 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/07/2016 for budget/fiscal year 2017.
(no 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	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>0.000</u> mills	\$ <u>0</u>
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]	<u>0.000</u> mills	\$ <u>0</u>

Contact person: (print) Carrie Bartow Daytime phone: (719) 635-0330
Signed: *Carrie J. Bartow* 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) 864-7720.

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^J:

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^K:

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.



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Banning Lewis Ranch Metropolitan District No. 1
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Banning Lewis Ranch Metropolitan District No. 1 for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the Summary of Significant Assumptions which describe that the budget is presented in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Banning Lewis Ranch Metropolitan District No. 1.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
January 11, 2017



An independent member of Nexia International

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
SUMMARY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 648,203	\$ 515,669	\$ 906,252
REVENUES			
1 Net investment income	1,219	4,300	5,600
2 Village 1 operating fees	1,038,605	1,185,241	1,308,240
3 Village 2 West operating fees	-	106,990	213,940
4 Carriage House operating fees	-	7,920	52,800
5 Design review fee	17,875	18,000	18,000
6 Ranch house rentals	10,963	8,000	10,000
7 YMCA program revenues	-	3,000	5,000
8 Intergovernmental - O&M taxes District No. 2	340,093	418,247	436,710
9 Intergovernmental - O&M taxes Regional District	21,603	27,138	31,165
10 Intergovernmental - DS taxes Regional District	194,428	244,240	280,447
11 Intergovernmental - O&M taxes District No. 3	25	45,406	107,876
12 Intergovernmental - Developer advance District No. 3	50,000	457,101	230,000
Total revenues	<u>1,674,811</u>	<u>2,525,583</u>	<u>2,699,778</u>
TRANSFERS IN			
	760	-	-
Total funds available	<u>2,323,774</u>	<u>3,041,252</u>	<u>3,606,030</u>
EXPENDITURES			
General and administration			
13 Accounting	131,098	155,000	145,000
14 Audit	12,050	12,300	13,000
15 Billing services	46,360	50,000	50,000
16 Broadband access	394,350	435,000	440,000
17 Community management	28,539	38,000	49,250
18 Design review fee	8,232	22,000	25,000
19 District management	78,525	98,000	90,000
20 Dues and membership	3,379	3,553	4,000
21 Election	-	31,418	-
22 Engineering & consulting	1,905	1,000	-
23 Insurance	21,000	22,987	28,000
24 Legal	37,525	120,000	25,000
25 Legal - special	-	-	75,000
26 Mailbox repairs (S&K)	-	-	2,000
27 Other repairs and maintenance	13,621	-	-
28 Miscellaneous	3,277	5,000	5,000
29 Security officers	-	-	10,000
30 Trash removal and recycle	141,608	172,000	223,839
31 Website maintenance	-	-	500
32 Landscape maintenance - Village 1	473,519	485,300	533,000
33 Landscape maintenance - Village 2 West	-	46,000	116,500
34 Landscape maintenance - Carriage House	-	8,300	55,250
35 Recreation Center	322,443	255,900	304,000
36 Swimming pool - Village 1	21,235	55,119	42,500
37 Swimming pool - Village 2 West	67,728	113,935	137,500
Capital projects			
38 Accounting	951	-	-
39 Contingency	-	4,188	15,661
Total expenditures	<u>1,807,345</u>	<u>2,135,000</u>	<u>2,390,000</u>
TRANSFERS OUT			
	760	-	-
Total expenditures and transfers out requiring appropriation	<u>1,808,105</u>	<u>2,135,000</u>	<u>2,390,000</u>
ENDING FUND BALANCES	<u>\$ 515,669</u>	<u>\$ 906,252</u>	<u>\$ 1,216,030</u>
EMERGENCY RESERVE	\$ 42,900	\$ 54,700	\$ 65,600
TOTAL RESERVE	<u>\$ 42,900</u>	<u>\$ 54,700</u>	<u>\$ 65,600</u>

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - EL PASO			
Commercial	\$ -	\$ -	\$ 430
Agricultural	310	340	290
Certified Assessed Value	<u>\$ 310</u>	<u>\$ 340</u>	<u>\$ 720</u>
MILL LEVY			
GENERAL FUND	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES			
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 309,069	\$ (17,022)	\$ 125,921
REVENUES			
1 Net investment income	379	900	1,000
2 Village 1 operating fees	1,038,605	1,185,241	1,308,240
3 Village 2 West operating fees	-	106,990	213,940
4 Carriage House operating fees	-	7,920	52,800
5 Design review fee	17,875	18,000	18,000
6 Ranch house rentals	10,963	8,000	10,000
7 YMCA program revenues	-	3,000	5,000
8 Intergovernmental - O&M taxes District No. 2	340,093	418,247	436,710
9 Intergovernmental - O&M taxes Regional District	21,603	27,138	31,165
10 Intergovernmental - O&M taxes District No. 3	25	45,406	107,876
11 Intergovernmental - Developer advance District No. 3	50,000	457,101	230,000
Total revenues	<u>1,479,543</u>	<u>2,277,943</u>	<u>2,414,731</u>
TRANSFERS IN			
CAPITAL PROJECTS FUND	760	-	-
Total transfers in	<u>760</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,789,372</u>	<u>2,260,921</u>	<u>2,540,652</u>
EXPENDITURES			
General and administration			
12 Accounting	131,098	155,000	145,000
13 Audit	12,050	12,300	13,000
14 Billing services	46,360	50,000	50,000
15 Broadband access	394,350	435,000	440,000
16 Community management	28,539	38,000	49,250
17 Design review fee	8,232	22,000	25,000
18 District management	78,525	98,000	90,000
19 Dues and membership	3,379	3,553	4,000
20 Election	-	31,418	-
21 Engineering & consulting	1,905	1,000	-
22 Insurance	21,000	22,987	28,000
23 Legal	37,525	120,000	25,000
24 Legal - special	-	-	75,000
25 Mailbox repairs (S&K)	-	-	2,000
26 Other repairs and maintenance	13,621	-	-
27 Miscellaneous	3,277	5,000	5,000
28 Security officers	-	-	10,000
29 Trash removal and recycle	141,608	172,000	223,839
30 Website maintenance	-	-	500
31 Landscape maintenance - Village 1	473,519	485,300	533,000
32 Landscape maintenance - Village 2 West	-	46,000	116,500
33 Landscape maintenance - Carriage House	-	8,300	55,250
34 Recreation Center - Village 1	322,443	255,900	304,000
35 Swimming pool - Village 1	21,235	55,119	42,500
36 Swimming pool - Village 2 West	67,728	113,935	137,500
37 Contingency	-	4,188	15,661
Total expenditures	<u>1,806,394</u>	<u>2,135,000</u>	<u>2,390,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,806,394</u>	<u>2,135,000</u>	<u>2,390,000</u>
ENDING FUND BALANCES	<u>\$ (17,022)</u>	<u>\$ 125,921</u>	<u>\$ 150,652</u>
EMERGENCY RESERVE	<u>\$ 42,900</u>	<u>\$ 54,700</u>	<u>\$ 65,600</u>
TOTAL RESERVE	<u>\$ 42,900</u>	<u>\$ 54,700</u>	<u>\$ 65,600</u>

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND EXPENDITURE DETAILS
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
Landscape maintenance - Village 1			
1 Contract maintenance	\$ 155,952	\$ 160,000	\$ 170,000
2 Electricity	2,414	2,700	3,000
3 Enhancements - Village 1	-	12,600	25,000
4 Irrigation repairs/maintenance	26,074	5,000	10,000
5 Irrigation system replacements	-	-	10,000
6 Miscellaneous	25,268	15,000	15,000
7 Snow removal	24,172	50,000	50,000
8 Water	239,639	240,000	250,000
Total expenditures	<u>\$ 473,519</u>	<u>\$ 485,300</u>	<u>\$ 533,000</u>
Landscape maintenance - Village 2 West			
9 Contract maintenance	\$ -	\$ -	\$ 32,000
10 Electricity	-	6,000	7,000
11 Enhancements - Village 2 West	-	-	5,000
12 Irrigation repairs/maintenance	-	-	20,000
13 Miscellaneous	-	-	2,500
14 Snow removal	-	5,000	10,000
15 Water	-	35,000	40,000
Total expenditures	<u>\$ -</u>	<u>\$ 46,000</u>	<u>\$ 116,500</u>
Landscape maintenance - Carriage House			
16 Front Yard Maint & Repairs	\$ -	\$ 4,390	\$ 29,250
17 Park & Common Area Maintenance	-	1,240	8,250
18 Snow removal	-	1,880	12,500
19 Utilities -Electricity	-	40	250
20 Utilities -Water	-	750	5,000
Total expenditures	<u>\$ -</u>	<u>\$ 8,300</u>	<u>\$ 55,250</u>
Recreation Center - Village 1			
21 Cleaning services	\$ 9,967	\$ 10,000	\$ 15,000
22 Cleaning supplies	249	-	500
23 Coffee, bottled water, etc.	285	100	200
24 Decorations	1,972	2,000	2,000
25 Electricity	15,010	13,000	20,000
26 Fitness equipment maintenance	896	1,000	1,200
27 Fitness equipment replacement	-	-	5,000
28 Gas	15,293	11,000	16,000
29 HVAC maintenance	4,844	5,100	5,200
30 Management fee	212,555	157,000	165,000
31 Miscellaneous	2,091	-	5,000
32 Office supplies	299	-	500
33 Plant maintenance	2,737	2,900	3,000
34 Printing	2,418	600	2,000
35 Repairs and maintenance	5,805	5,000	10,000
36 Security services	4,484	6,000	7,000
37 Sewer	1,983	2,000	2,200
38 Telephone	2,672	3,400	4,000
39 Trash	1,193	1,800	2,200
40 Water	37,690	35,000	38,000
Total expenditures	<u>\$ 322,443</u>	<u>\$ 255,900</u>	<u>\$ 304,000</u>

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND EXPENDITURE DETAILS
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
Swimming pool - Village 1			
41 Management staffing	\$ -	\$ 15,025	\$ 16,000
42 Chemicals	6,194	5,594	6,500
43 Disability lift	-	9,500	-
44 Miscellaneous	5,766	-	2,500
45 Operations and maintenance	9,275	25,000	15,000
46 Pool furniture	-	-	2,500
Total expenditures	<u>\$ 21,235</u>	<u>\$ 55,119</u>	<u>\$ 42,500</u>
Swimming pool - Village 2 West			
47 Management staffing	\$ 34,430	\$ 65,203	\$ 78,000
48 Water	16,631	26,000	30,000
49 Chemicals	10,034	6,732	6,500
50 Miscellaneous	3,472	1,000	5,000
51 Operations and maintenance	3,161	15,000	10,000
52 Building repairs	-	-	3,000
53 Building operations & maintenance	-	-	5,000
Total expenditures	<u>\$ 67,728</u>	<u>\$ 113,935</u>	<u>\$ 137,500</u>

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND - REGIONAL
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 337,423	\$ 532,691	\$ 780,331
REVENUES			
1 Net investment income	840	3,400	4,600
2 Intergovernmental - DS taxes Regional District	194,428	244,240	280,447
Total revenues	195,268	247,640	285,047
Total funds available	532,691	780,331	1,065,378
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ 532,691	\$ 780,331	\$ 1,065,378

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 1,711	\$ -	\$ -
REVENUES			
1 Net investment income	-	-	-
2 Intergovernmental - Developer advance - District No. 3	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,711</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General and administration			
3 Accounting	951	-	-
Total expenditures	<u>951</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
General Fund	760	-	-
Total transfers out	<u>760</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,711</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Banning Lewis Ranch Metropolitan District No. 1 (“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, television relay and operation and maintenance. The District, organized in conjunction with six other related Districts - Banning Lewis Ranch Metropolitan District Nos. 2-5, 7 and Banning Lewis Ranch Regional Metropolitan District (formerly District No. 6), is the Operating District which will pay all vendors of and receive reimbursement/contributions from the Financing Districts. District Nos. 2-5, 7 and Banning Lewis Ranch Regional Metropolitan District 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 voter’s authorized total general obligation indebtedness of \$929,500,000 for the above listed facilities and powers as well as for refunding of 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.

The District has no employees and all administrative functions are contractual.

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.

Revenues

Village 1 and Village 2 West and Carriage House Operating Fees

The District currently collects a fee of \$118.50 per month from homeowners of Northtree Village in District No. 2 to pay for the costs of broadband access, trash removal and recycling and to cover a portion of the Northtree Recreation Center expenditures. The District currently collects a fee of \$76.00 per month from homeowners of Northtree Village No. 2 in District No. 3 to pay for the costs of trash removal and recycling, as well as a portion of Northtree Recreation Center expenditures. The District anticipates an increase in fees beginning in the second quarter of 2017. The District also collects a fee of \$88.00 per month from homeowners of Carriage House in District No. 3 to pay for the costs of front yard landscaping maintenance and repairs, park and common area maintenance, snow removal within the common driveway and utilities (water and electric).

Intergovernmental Revenue – Banning Lewis Ranch Metropolitan District No. 2 – O&M Taxes

District No. 2, the Financing District, levied 20.000 mills for operations and maintenance. It is anticipated that District No. 2 will transfer property taxes generated from the 20.000 mills into District No. 1, the Operating District, to pay for a portion of the expenditures to operate and maintain the Northtree Recreation Center, swimming pool and landscaping, as well as for administrative expenditures for District No. 2.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Intergovernmental Revenue – Banning Lewis Ranch Metropolitan District No. 3 – O&M Taxes

District No. 3, the Financing District, levied 20.000 mills for operations and maintenance. It is anticipated that District No. 3 will transfer property taxes generated from the 20.000 mills into District No. 1, the Operating District, to pay for a portion of the expenditures to operate and maintain the Northtree Recreation Center, swimming pool and landscaping, as well as for administrative expenditures for District No. 3.

Intergovernmental Revenue – Banning Lewis Ranch Metropolitan District No. 3 – Developer Advance

The Developer is expected to advance funding for operational expenditures, which are recorded in District No. 3 and transferred into District No. 1.

Intergovernmental Revenue – Banning Lewis Ranch Regional Metropolitan District – O&M Taxes

Regional District, the Financing District, levied 1.000 mills for operations and maintenance. It is anticipated that Regional District will transfer property taxes generated from the 1.000 mills into District No. 1, the Operating District, to pay for administrative expenditures.

Intergovernmental Revenue – Banning Lewis Ranch Regional Metropolitan District – Debt Service Taxes

Regional District, the Financing District, levied 9.000 mills for debt service. It is anticipated that Regional District will transfer property taxes generated from the 9.000 mills into District No. 1, the Operating District, which will hold all debt service funds for the Regional District.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.50%.

Ranch House Rentals

Ranch house rentals includes District charges to residents for recreation center rental fees, recreation center access card replacements and other miscellaneous charges imposed by the District related to the recreation centers.

Design Review Fees

The District imposes a fee associated with the review and approval by the District for landscape design plans.

Expenditures

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, audit, managerial, insurance, meeting expense and other administrative expenses for the Districts.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures - (continued)

Broadband Access

The District expects to pay approximately \$42.50 per month per homeowner of Northtree Village in District No. 2 for broadband access. This cost will be recouped from homeowners thru the District Operating Fee (see related notes above for “District Operating Fees”).

Trash Removal and Recycling

The District expects to pay \$11.00 for trash removal and \$5.15 for recycling per month per homeowner of Northtree Village in District No. 2 and \$11.00 for trash removal per month per homeowner of Northtree Village No. 2 in District No. 3. This cost will be recouped from homeowners thru the Village 1 and Village 2 West Operating Fee (see related notes above for “Village 1 and Village 2 West Operating Fees”).

Landscape Maintenance

The District will incur certain costs for landscaping within the Northtree Village and Northtree Village No. 2 West. Such costs include snow removal, electricity and other landscaping maintenance. These landscaping costs are expected to be paid from property taxes levied by District Nos. 2 and 3, the Financing Districts, for operations and maintenance. Prior to build out, the Developer is expected to provide advances to the District.

Recreation Centers

The District will incur certain costs to operate and maintain the Northtree and Northtree Village No. 2 West Recreation Centers. Such costs include management fees, utilities such as water, trash, telephone and electricity, security services, cleaning services, repairs and maintenance, office supplies, and other costs. These costs will be paid from the remainder of the collection of the District Operating Fee not used for broadband access and trash removal and recycling. All other costs will be paid from property taxes levied by Districts Nos. 2 and 3, the Financing Districts, for operations and maintenance. Prior to full build-out, the Developer is expected to provide advances to the District.

Swimming Pool Village No. 1

The District will incur certain costs to operate and maintain the swimming pool located in the Northtree Recreation Center. Such costs include chemicals, water, lifeguards and other operation and maintenance costs. These costs are expected to be paid from property taxes levied by District No. 2, the Financing District, for operations and maintenance. Prior to full build-out, the Developer is expected to provide advances to the District.

Swimming Pool Village No. 2 West

The District will incur certain costs to operate and maintain the aquatic center located in Northtree Village No. 2 West. Such costs include chemicals, water, lifeguards and other operation and maintenance costs. These costs are expected to be paid from property taxes levied by District No. 3, the Financing District, for operations and maintenance. Prior to full build-out, the Developer is expected to provide advances to the District.

Capital Outlay

There are no anticipated expenditures for capital outlay in 2017, as reflected on page 7 of the budget.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

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

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2017, as defined under TABOR.

This information is an integral part of the accompanying budget.

**NOTICE AS TO PROPOSED BUDGETS
AND
NOTICE CONCERNING BUDGET AMENDMENTS**

NOTICE IS HEREBY GIVEN that the proposed budgets for the ensuing year of 2017 have been submitted to the Banning Lewis Ranch Metropolitan District Nos. 1, 3-5 & 7, and the Banning Lewis Ranch Regional Metropolitan District ("Districts"). Such proposed budgets will be considered at a combined special meeting and public hearing of the Boards of Directors of the Districts to be held at NorthTree Ranch House: 6885 Vista del Pico, Colorado Springs, Colorado, at 9:00 a.m. on Thursday, December 1, 2016.

NOTICE IS FURTHER GIVEN that amendments to the 2016 budgets of the Districts may also be considered at the above-referenced meeting and public hearing of the Boards of Directors of the Districts.

A copy of the proposed 2017 budgets and the amended 2016 budgets, if required, are available for public inspection at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 500, Greenwood Village, Colorado. Any interested elector within the Districts may, at any time prior to final adoption of the 2017 budgets and the amended 2016 budgets, if required, file or register any objections thereto.

Dated: November 23, 2016

BANNING LEWIS RANCH METROPOLITAN
DISTRICT NOS. 1, 3-5 & 7
BANNING LEWIS RANCH REGIONAL
METROPOLITAN DISTRICT

By: /s/ Cynthia M. Beyer
District Manager

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

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

I, Jenifer Furda, 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 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.

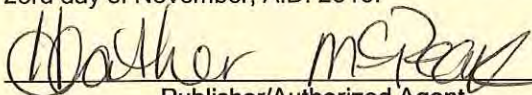
That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue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

23, NOVEMBER, A.D. 2016.

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

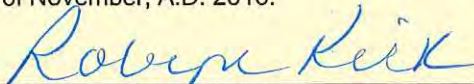
23, NOVEMBER, A.D. 2016.

In witness whereof, I have hereunto set my hand this 23rd day of November, A.D. 2016.



Publisher/Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 23rd day of November, A.D. 2016.



Notary Public

ROBYN KIRK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20114063677
MY COMMISSION EXPIRES OCTOBER 5, 2019

NOTICE AS TO PROPOSED BUDGETS AND NOTICE CONCERNING BUDGET AMENDMENTS
NOTICE IS HEREBY GIVEN that the proposed budgets for the ensuing year of 2017 have been submitted to the Banning Lewis Ranch Metropolitan District Nos. 1, 3-5 & 7, and the Banning Lewis Ranch Regional Metropolitan District ("Districts"). Such proposed budgets will be considered at a combined special meeting and public hearing of the Boards of Directors of the Districts to be held at NorthTree Ranch House: 6885 Vista del Pico, Colorado Springs, Colorado, at 9:00 a.m. on Thursday, December 1, 2016.
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Dated: November 23, 2016
BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 1, 3-5 & 7
BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT
By: /s/ Cynthia M. Beyer
District Manager
Publication Date: November 23, 2016
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