

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2019

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

Attached are the 2019 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 November 8th, 2018. If there are any questions on the budget, please contact:

Mr. Josh Miller
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone: 303-779-5710

I, Josh Miller, 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 2019 budget.

By: _____



**RESOLUTION
TO ADOPT 2019 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 2019 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, 2019, AND ENDING ON THE LAST DAY OF DECEMBER, 2019,

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 November 8th, 2018 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 2018 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$830; 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 2019.

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 2019 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 2019 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 2018.

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 2018.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2019 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 2018.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2019 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 2018.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2019 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 2018.

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 2018.

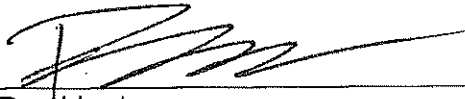
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2018, 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, 218 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.

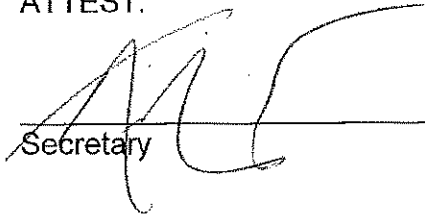
ADOPTED this 8th day of November, 2018.

BANNING LEWIS RANCH
METROPOLITAN DISTRICT NO. 1



President

ATTEST:



Secretary

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



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Banning Lewis Ranch Metropolitan District No. 1

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, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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 30, 2019

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 987,729	\$ 1,422,288	\$ 230,468
REVENUES			
Net investment income	13,765	20,155	6,000
Village 1 operating fees	1,327,455	1,365,940	924,320
Village 2 West operating fees	315,698	526,450	662,380
Village 2 East operating fees	-	8,900	85,840
Carriage House operating fees	138,105	323,160	637,090
Design review fee	20,250	20,000	40,000
Ranch house rentals	18,113	25,000	35,000
YMCA program revenues	27,271	24,090	25,000
Other revenue	12,563	2,000	-
Intergovernmental - O&M taxes District No. 2	449,155	484,290	485,816
Intergovernmental - O&M taxes District No. 3	112,128	281,275	426,392
Intergovernmental - Developer Advance District No. 3	280,000	-	-
Intergovernmental - O&M taxes District No. 4	-	20	12,364
Intergovernmental - Capital District No. 4	-	15,417,203	-
Intergovernmental - O&M taxes District No. 5	-	-	1,288
Intergovernmental - Capital District No. 5	-	2,826,867	2,496,178
Intergovernmental - O&M taxes Regional District No. 1	31,890	42,908	56,837
Intergovernmental - DS taxes Regional District No. 1	287,015	386,341	-
Insurance proceeds	-	168,000	-
Total revenues	<u>3,033,408</u>	<u>21,922,599</u>	<u>5,894,505</u>
TRANSFERS IN	<u>-</u>	<u>1,455,664</u>	<u>-</u>
Total funds available	<u>4,021,137</u>	<u>24,800,551</u>	<u>6,124,973</u>
EXPENDITURES			
General and administrative	1,347,724	1,542,311	1,249,340
Landscape maintenance	601,692	1,042,082	1,197,500
Landscape maintenance - Carriage House	86,764	145,750	183,160
Recreation Center	336,889	436,350	410,000
Swimming Pool	195,015	238,460	210,000
Capital projects	30,765	19,709,466	2,496,178
Total expenditures	<u>2,598,849</u>	<u>23,114,419</u>	<u>5,746,178</u>
TRANSFERS OUT	<u>-</u>	<u>1,455,664</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,598,849</u>	<u>24,570,083</u>	<u>5,746,178</u>
ENDING FUND BALANCES	<u>\$ 1,422,288</u>	<u>\$ 230,468</u>	<u>\$ 378,795</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Agricultural	\$ 290	\$ -	\$ -
Vacant land	-	830	830
Certified Assessed Value	<u>\$ 290</u>	<u>\$ 830</u>	<u>\$ 830</u>
MILL LEVY			
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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/31/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 205,075	\$ 341,554	\$ 204,587
REVENUES			
Net investment income	2,700	6,000	6,000
Village 1 operating fees	1,327,455	1,365,940	924,320
Village 2 West operating fees	315,698	526,450	662,380
Village 2 East operating fees	-	8,900	85,840
Carriage House operating fees	138,105	323,160	637,090
Design review fee	20,250	20,000	40,000
Ranch house rentals	18,113	25,000	35,000
YMCA program revenues	27,271	24,090	25,000
Other revenue	12,563	2,000	-
Intergovernmental - O&M taxes District No. 2	449,155	484,290	485,816
Intergovernmental - O&M taxes Regional District No. 1	31,890	42,908	56,837
Intergovernmental - O&M taxes District No. 3	112,128	281,275	426,392
Intergovernmental - Developer advance District No. 3	280,000	-	-
Intergovernmental - O&M taxes District No. 4	-	20	12,364
Intergovernmental - O&M taxes District No. 5	-	-	1,288
Insurance proceeds	-	168,000	-
Total revenues	<u>2,735,328</u>	<u>3,278,033</u>	<u>3,398,327</u>
Total funds available	<u>2,940,403</u>	<u>3,619,587</u>	<u>3,602,914</u>
EXPENDITURES			
General and administrative			
Accounting	158,944	160,000	165,000
Auditing	12,700	12,950	26,000
Billing services	73,831	90,000	114,995
Broadband access	446,298	454,200	-
Community management	52,495	65,000	117,200
Design review fee	23,884	25,000	50,000
Directors fees	400	600	500
District management	155,114	170,000	175,000
Dues and memberships	3,361	3,376	4,000
Election expense	-	36,421	-
Insurance and bonds	28,790	37,135	39,000
Legal services	75,048	130,000	75,000
Legal - special	39,696	26,000	-
Mailbox repairs (S&K)	4,317	1,000	5,000
Miscellaneous	10,002	4,000	10,000
Payroll taxes	31	38	74
Repairs and maintenance	21,831	10,000	20,000
Reserve study	-	5,240	15,000
Security system	-	-	25,000
Trash removal and recycle	240,817	307,500	381,800
Website maintenance	165	-	500
Contingency	-	3,536	25,271
Landscape maintenance	601,692	1,042,082	1,197,500
Landscape maintenance - Carriage House	86,764	145,750	183,160
Recreation Center	336,889	436,350	410,000
Swimming Pool	195,015	238,460	210,000
Capital			
Capital outlay - landscape	30,765	10,047	-
Total expenditures	<u>2,598,849</u>	<u>3,414,685</u>	<u>3,250,000</u>
TRANSFERS OUT			
Transfers to other fund	-	315	-
Total expenditures and transfers out requiring appropriation	<u>2,598,849</u>	<u>3,415,000</u>	<u>3,250,000</u>
ENDING FUND BALANCE	<u>\$ 341,554</u>	<u>\$ 204,587</u>	<u>\$ 352,914</u>
EMERGENCY RESERVE	\$ 73,700	\$ 100,000	\$ 102,000
REPLACEMENT RESERVE	-	100,000	200,000
AVAILABLE FOR OPERATIONS	267,854	4,587	50,914
TOTAL RESERVE	<u>\$ 341,554</u>	<u>\$ 204,587</u>	<u>\$ 352,914</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 782,654	\$ 1,080,734	\$ 25,881
REVENUES			
Net investment income	11,065	14,155	-
Intergovernmental - DS taxes Regional District No. 1	287,015	386,341	-
Total revenues	<u>298,080</u>	<u>400,496</u>	<u>-</u>
Total funds available	<u>1,080,734</u>	<u>1,481,230</u>	<u>25,881</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>1,455,349</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>1,455,349</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1,080,734</u>	<u>\$ 25,881</u>	<u>\$ 25,881</u>
DEBT SERVICE	<u>\$ 1,080,734</u>	<u>\$ 25,881</u>	<u>\$ 25,881</u>
TOTAL RESERVE	<u>\$ 1,080,734</u>	<u>\$ 25,881</u>	<u>\$ 25,881</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
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Intergovernmental - Capital District No. 4	-	15,417,203	-
Intergovernmental - Capital District No. 5	-	2,826,867	2,496,178
Total revenues	-	18,244,070	2,496,178
TRANSFERS IN			
Transfers from other funds	-	1,455,664	-
Total funds available	-	19,699,734	2,496,178
EXPENDITURES			
General and Administrative			
Accounting	-	315	-
Capital Projects			
Parks and recreation	-	6,868,523	-
Streets	-	2,594,377	-
Sewer/storm drainage	-	8,242,700	-
Water	-	1,993,819	-
Capital improvements	-	-	2,496,178
Total expenditures	-	19,699,734	2,496,178
Total expenditures and transfers out requiring appropriation	-	19,699,734	2,496,178
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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
2019 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, 6 (now Banning Lewis Ranch Regional Metropolitan District No. 1), and 7 (now Banning Lewis Ranch Regional Metropolitan District No. 2), is the Operating District which will pay all vendors of and receive reimbursement/contributions from the Financing Districts. District Nos. 2-5, and Banning Lewis Ranch Regional Metropolitan District No. 1 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 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

District Operating Fees

The District currently collects a fee of \$128.95 per month from homeowners of Northtree Village No. 1 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. For 2019, this monthly fee will be reduced to \$86.45, as residents of Northtree Village No. 1 will contract for broadband access with the vendor directly. The District currently collects a fee of \$86.45 per month from homeowners of Northtree Village No. 2 West in District No. 3 and Northtree Village No. 2 East in District No. 4, to pay for the costs of trash removal and recycling, as well as a portion of Northtree Recreation Center expenditures.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Beginning in 2019, the District anticipates collecting fees from homeowners of Northtree Village No. 3 in District No. 4, which are for the same services as the homes in District No. 3 and will be billed at the same rate. No operating fee increases have been budgeted for 2019. The District also collects or expects to collect a fee of \$88.00 per month from homeowners of Carriage House, Bungalows, and Townhomes in District Nos. 3 and 4 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 – Operations and Maintenance Taxes

The District has entered into a District Facilities Agreement (Agreements) with each of District Nos. 2, 3, 4, 5 and the Regional Metropolitan District No. 1 (the Financing Districts). Per the Agreements, each of the Financing Districts is to levy a tax for operations and maintenance and remit such tax to the District to be used to pay for a portion of the expenditures to operate and maintain the Northtree Recreation Center, swimming pool facilities, and landscaping, as well as for administrative expenditures for the Financing Districts. It is anticipated that District Nos. 2, 3, 4, and 5 will levy an operations and maintenance mill levy of 22.111 and transfer these taxes to the District. It is anticipated that the Regional Metropolitan District No. 1 will levy an operations and maintenance mill levy of 1.105 and transfer these taxes to the District.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

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. Also included in the rental amount is a \$500 per month lease with Falcon Broadband.

Design Review Fees

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

YMCA Program Revenues

The YMCA operates the recreational facilities within the District and charges fees to residents for additional recreational programs and special events. Net fees are remitted to the District.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

Trash Removal and Recycling

The District expects to pay \$16.60 for trash removal and recycling per month per homeowner within the Financing Districts. This cost will be recouped from homeowners through the District Operating Fee (see related notes above for "District Operating Fees").

Landscape Maintenance

The District will incur certain costs for landscaping within Northtree Village No. 1, Northtree Village No. 2 West, Northtree Village No. 2 East, and Northtree Village No. 3. Such costs include snow removal, electricity and other landscaping maintenance. These costs will be offset by a portion of the monthly District Operating Fees not used for trash removal and recycling, as well from the operations and maintenance property taxes remitted by the Financing Districts per the District Facilities Agreements.

Recreation Center

The District will incur certain costs to operate and maintain the Northtree Village Recreation Center. 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 offset by a portion of the monthly District Operating Fees not used for trash removal and recycling, as well from the operations and maintenance property taxes remitted by the Financing Districts per the District Facilities Agreements.

Swimming Pools

The District will incur certain costs to operate and maintain the swimming pool located in the Northtree Recreation Center and the Aquatic Center located in Northtree Village No. 2 West. Such costs include chemicals, water, lifeguards and other operation and maintenance costs. These costs will be offset by a portion of the monthly District Operating Fees not used for trash removal and recycling, as well from the operations and maintenance property taxes remitted by the Financing Districts per the District Facilities Agreements.

Debt and Leases

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

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2019, as defined under TABOR.

This information is an integral part of the accompanying 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. 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 \$ 830 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: \$ 830 (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: 12/06/2018 for budget/fiscal year 2019.
(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:	0.000 mills	\$ 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) Carrie Bartow Daytime phone: (719) 635-0330
Signed: Carrie 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).

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:

26, OCTOBER, A.D. 2018.

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

26, OCTOBER, A.D. 2018.

In witness whereof, I have hereunto set my hand this 26th day of October, A.D. 2018.



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 26th day of October, A.D. 2018.



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 CONCERNIN BUDGETS AMENDMENT
NOTICE IS HEREBY GIVEN that the proposed budgets for the ensuing year of 2019 have been submitted to the Banning Lewis Ranch Metropolitan District Nos. 1, 3 4, 5 and 7 (now known as Banning Lewis Ranch Regional Metropolitan District No. 2) and Banning Lewis Ranch Regional Metropolitan District ("Districts"). Such proposed budgets will be considered at a regular 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 80927 at 9:00 a.m. on November 6th, 2018.
NOTICE IS FURTHER GIVEN that an amendment to the 2018 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 2019 budgets and the amended 2018 budgets, if required, are available for public inspection at the offices of CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy, Suite 300, Greenwood Village, Colorado. Any interested elector within the Districts may, at any time prior to final adoption of the 2019 budgets and the amended 2018 budgets, if required, file or register any objections thereto.
BANNING LEWIS RANCH METROPOLITAN DISTRICT NOS. 1, 3, 4, 5, BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT AND BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
By: /s/ Denise Denslow District Manager
Publication Date: October 26, 2018
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