

LETTER OF BUDGET TRANSMITTAL

Date: January 24, 2018

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

Attached are the 2018 budget and budget message for BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 8, 2017. If there are any questions on the budget, please contact:

Chuck Reid, District Manager  
c/o CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 500  
Greenwood Village, CO 80111  
Telephone number: 303-779-4525

I, Chuck Reid, District Manager of the Banning Lewis Ranch Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2018 budget.

By:

  
\_\_\_\_\_  
Chuck Reid, District Manager

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2**

**RESOLUTION NO. 2017-11-02**

**RESOLUTION TO ADOPT BUDGET**

WHEREAS, the Board of Directors (the “Board”) of Banning Lewis Ranch Metropolitan District No. 2 (the “District”) has directed its accountant, CliftonLarsonAllen, to prepare and submit a proposed 2018 budget to the Board at the proper time; and

WHEREAS, the accountant has submitted the proposed budget to the Board on or before October 15, 2017 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 8, 2017, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Banning Lewis Ranch Metropolitan District No. 2:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	500,000
Enterprise Fund:	\$	N/A
Debt Service Fund:	\$	618,000
Capital Projects Fund:	\$	55,000
Total		\$1,173,000

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses		N/A

From fund transfers	N/A
From sources other than general property tax	\$62,037
From general property tax abatements	N/A
From general property tax	\$437,963
Total	\$500,000

Enterprise Fund:

From unappropriated surpluses	N/A
From fund transfers	N/A
From sources other than general property tax	N/A
Total	N/A

Debt Service Fund:

From unappropriated surpluses	\$650,696
From fund transfers	N/A
From sources other than general property tax	\$77,670
From general property tax	\$547,439
Total	\$1,275,805

Capital Projects Fund:

From unappropriated surpluses	\$169,616
From fund transfers	N/A
From other sources	1,400
Total	\$171,016

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2018 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$437,963; and

[WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$547,439; and]

WHEREAS, the 2017 valuation for assessment of the District, as certified by the County Assessor, is \$19,807,480.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Banning Lewis Ranch Metropolitan District No. 2:

1. That for the purpose of meeting all general operating expenses of the District during the 2018 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 22.111 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$437,963.

2. [That for the purpose of meeting all debt service expenses of the District during the 2018 budget year, there is hereby levied a property tax of 27.638 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$547,439.]

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of El Paso County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

**TO APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$500,000
Enterprise Fund:	N/A
Debt Service Fund:	\$618,000
Capital Projects Fund:	\$55,000
Total	<hr/> \$1,173,000

Adopted this 8<sup>th</sup> day of November, 2017.

BANNING LEWIS RANCH  
METROPOLITAN DISTRICT NO. 2

By: *Donald P. Knechtel II*  
Donald P. Knechtel, President

ATTEST:

By: *Stacy S. Jensen*  
Stacy S. Jensen, Secretary







**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.CLAconnect.com

## **Accountant's Compilation Report**

Board of Directors  
Banning Lewis Ranch Metropolitan District No. 2  
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Banning Lewis Ranch Metropolitan District No. 2 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, 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 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. 2.

*CliftonLarsonAllen LLP*

Colorado Springs, Colorado  
January 9, 2018

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/9/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 1,427,205	\$ 821,298	\$ 820,312
REVENUES			
1 Property taxes	964,447	906,568	985,402
2 Specific ownership taxes	110,748	119,400	128,110
3 Net investment income	9,505	12,000	8,400
4 Other income	-	2,681	4,597
5 Facilities fees	12,000	-	-
6 Bond issuance	11,310,000	-	-
Total revenues	<u>12,406,700</u>	<u>1,040,649</u>	<u>1,126,509</u>
Total funds available	<u>13,833,905</u>	<u>1,861,947</u>	<u>1,946,821</u>
EXPENDITURES			
7 General and administration			
8 Banking fees	320	100	100
9 Contingency	-	2,681	10,637
10 County Treasurer's fees	5,791	6,050	6,570
11 Director fees	4,000	3,500	6,000
12 Intergovernmental - O&M taxes	420,448	447,401	481,234
13 Meeting expenses	678	-	-
14 Payroll taxes	366	268	459
15 Repayment of developer advance	474,469	-	-
16 Debt service			
17 Bond interest Series 2013	411,844	-	-
18 Bond interest Series 2014 subordinate	365,417	-	-
19 Bond interest Series 2016	-	467,480	474,650
20 Bond issue costs	290,985	-	-
21 Bond principal Series 2013	8,170,000	-	-
22 Bond principal Series 2014 subordinate	2,750,000	-	-
23 Bond principal Series 2016	-	105,000	130,000
24 Contingency	-	-	3,538
25 County Treasurer's fees	8,686	7,555	8,212
26 Original issue discount	108,003	-	-
27 Paying agent fees	1,600	1,600	1,600
28 Capital projects			
29 Capital outlay	-	-	50,000
Total expenditures	<u>13,012,607</u>	<u>1,041,635</u>	<u>1,173,000</u>
Total expenditures and transfers out requiring appropriation	<u>13,012,607</u>	<u>1,041,635</u>	<u>1,173,000</u>
ENDING FUND BALANCES	<u>\$ 821,298</u>	<u>\$ 820,312</u>	<u>\$ 773,821</u>
DEBT SERVICE RESERVE	\$ 390,944	\$ 390,944	\$ 390,944
DEBT SERVICE SURPLUS	-	259,752	266,861
TOTAL RESERVE	<u>\$ 390,944</u>	<u>\$ 650,696</u>	<u>\$ 657,805</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. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

1/9/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - EL PASO</b>			
Residential	\$ 17,543,880	\$ 19,492,370	\$ 19,545,860
Commercial	109,780	60,700	42,220
Vacant Land	1,532,150	535,560	157,630
State Assessed	63,330	57,340	61,770
Certified Assessed Value	<u>\$ 19,249,140</u>	<u>\$ 20,145,970</u>	<u>\$ 19,807,480</u>
<b>MILL LEVY</b>			
GENERAL FUND	20.000	20.000	22.111
DEBT SERVICE FUND	30.000	25.000	27.638
Total Mill Levy	<u>50.000</u>	<u>45.000</u>	<u>49.749</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 384,983	\$ 402,919	\$ 437,963
DEBT SERVICE FUND	577,474	503,649	547,439
Levied property taxes	<u>962,457</u>	<u>906,568</u>	<u>985,402</u>
Adjustments to actual/rounding	1,990	-	-
Budgeted Property Taxes	<u>\$ 964,447</u>	<u>\$ 906,568</u>	<u>\$ 985,402</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 385,779	\$ 402,919	\$ 437,963
DEBT SERVICE FUND	578,668	503,649	547,439
	<u>\$ 964,447</u>	<u>\$ 906,568</u>	<u>\$ 985,402</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. 2**  
**GENERAL FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/9/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 388	\$ -	\$ -
<b>REVENUES</b>			
1 Property taxes	385,779	402,919	437,963
2 Specific ownership taxes	44,299	53,000	56,940
3 Net investment income	459	1,400	500
4 Other income	-	2,681	4,597
Total revenues	430,537	460,000	500,000
Total funds available	430,925	460,000	500,000
<b>EXPENDITURES</b>			
General and administration			
5 Banking fees	320	100	100
6 Contingency	-	2,681	5,637
7 County Treasurer's fees	5,791	6,050	6,570
8 Director fees	4,000	3,500	6,000
9 Intergovernmental - O&M taxes	420,448	447,401	481,234
10 Payroll taxes	366	268	459
Total expenditures	430,925	460,000	500,000
Total expenditures and transfers out requiring appropriation	430,925	460,000	500,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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. 2**  
**DEBT SERVICE FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/9/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 797,786	\$ 653,782	\$ 650,696
REVENUES			
1 Property taxes	578,668	503,649	547,439
2 Specific ownership taxes	66,449	66,400	71,170
3 Net investment income	7,414	8,500	6,500
4 Bond issuance	11,310,000	-	-
Total revenues	<u>11,962,531</u>	<u>578,549</u>	<u>625,109</u>
Total funds available	<u>12,760,317</u>	<u>1,232,331</u>	<u>1,275,805</u>
EXPENDITURES			
Debt service			
5 Bond interest Series 2013	411,844	-	-
6 Bond interest Series 2014 subordinate	365,417	-	-
7 Bond interest Series 2016	-	467,480	474,650
8 Bond issue costs	290,985	-	-
9 Bond principal Series 2013	8,170,000	-	-
10 Bond principal Series 2014 subordinate	2,750,000	-	-
11 Bond principal Series 2016	-	105,000	130,000
12 Contingency	-	-	3,538
13 County Treasurer's fees	8,686	7,555	8,212
14 Original issue discount	108,003	-	-
15 Paying agent fees	1,600	1,600	1,600
Total expenditures	<u>12,106,535</u>	<u>581,635</u>	<u>618,000</u>
Total expenditures and transfers out requiring appropriation	<u>12,106,535</u>	<u>581,635</u>	<u>618,000</u>
ENDING FUND BALANCES	<u>\$ 653,782</u>	<u>\$ 650,696</u>	<u>\$ 657,805</u>
DEBT SERVICE RESERVE	\$ 390,944	\$ 390,944	\$ 390,944
DEBT SERVICE SURPLUS	-	259,752	266,861
TOTAL RESERVE	<u>\$ 390,944</u>	<u>\$ 650,696</u>	<u>\$ 657,805</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. 2**  
**CAPITAL PROJECTS FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/9/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 629,031	\$ 167,516	\$ 169,616
REVENUES			
1 Net investment income	1,632	2,100	1,400
2 Facilities fees	12,000	-	-
Total revenues	<u>13,632</u>	<u>2,100</u>	<u>1,400</u>
Total funds available	<u>642,663</u>	<u>169,616</u>	<u>171,016</u>
EXPENDITURES			
General and administration			
3 Contingency	-	-	5,000
4 Meeting expenses	678	-	-
5 Repayment of developer advance	474,469	-	-
Capital projects			
6 Capital outlay	-	-	50,000
Total expenditures	<u>475,147</u>	<u>-</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>475,147</u>	<u>-</u>	<u>55,000</u>
ENDING FUND BALANCES	<u>\$ 167,516</u>	<u>\$ 169,616</u>	<u>\$ 116,016</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. 2**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Banning Lewis Ranch Metropolitan District No. 2 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on December 1, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide street improvements, parks and recreational facilities, water supply, wastewater facilities, traffic and safety controls, public transportation, fire protection, mosquito control and television relay. The District is one of the Financing Districts organized in conjunction with six other related Districts - Banning Lewis Ranch Metropolitan District Nos. 1, 3, 4, 5, 7 and Banning Lewis Ranch Regional Metropolitan District (formerly District No. 6). District No. 1 serves as the Operating District which will pay all vendors of and receive reimbursement/contributions from the Financing Districts. All other Districts, including District No. 2, are the Financing Districts which will issue debt, levy ad valorem taxes on taxable properties within each District and assess fees, rates and other charges as authorized by law. Banning Lewis Ranch Regional Metropolitan District will serve as the Regional Improvement District serving all of the Districts. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

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

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

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**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.

For collection year 2018, the District adopted a mill levy of 22.111 for operations and 27.638 for debt service. The District’s mill levies have been adjusted from the prior year to reflect the change in the residential assessment ratio from 7.96% to 7.20%. The calculation is reflected on page 3 of the Budget.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 13% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.00%.

**Expenditures**

**County Treasurer's Fees**

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

**Administrative Expenditures**

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

**Intergovernmental expenditure – Banning Lewis Ranch Metropolitan District No. 1 – O&M Taxes**

Property taxes generated from the 22.111 mills levied by the District for operations and maintenance, net of fees and other administrative expenditures, are expected to be transferred to District No. 1, the Operating District, which pays all other administrative expenditures of the District.

**Debt Service**

The debt service requirements of the District's Series 2016 General Obligation Refunding Bonds are detailed on page 5 and page 10 of the Budget.

**Capital Outlay**

The District has budgeted \$55,000 for capital expenditures in 2018. See page 6 of the Budget.

**Debt and Leases**

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

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

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

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

The District has no operating or capital leases.

**Reserves**

**Debt Service Reserve**

The District maintains a Debt Service Reserve of \$390,944 as required with the issuance of the Series 2016 Bonds.

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District subject to TABOR are transferred to District No. 1, which pays for all District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2018 Budget. The Emergency Reserve for these revenues is reflected in District No. 1.

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

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

<b>Bonds and Interest Maturing in the Year Ending December 31, Year</b>	<b>\$11,310,000 General Obligation Refunding Bonds Series 2016 Dated December 8, 2016 Principal Due December 1 Interest Rate 2.00% - 5.00% Payable June 1 and December 1</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2018	\$ 130,000	\$ 474,650	\$ 604,650	
2019	130,000	472,050	602,050	
2020	145,000	469,450	614,450	
2021	155,000	463,650	618,650	
2022	170,000	457,450	627,450	
2023	180,000	450,650	630,650	
2024	200,000	443,450	643,450	
2025	210,000	433,450	643,450	
2026	230,000	422,950	652,950	
2027	240,000	411,450	651,450	
2028	265,000	399,450	664,450	
2029	280,000	386,200	666,200	
2030	305,000	373,776	678,776	
2031	320,000	361,194	681,194	
2032	345,000	347,994	692,994	
2033	360,000	333,763	693,763	
2034	390,000	318,912	708,912	
2035	405,000	302,825	707,825	
2036	435,000	286,119	721,119	
2037	455,000	268,175	723,175	
2038	485,000	248,837	733,837	
2039	510,000	228,225	738,225	
2040	545,000	206,550	751,550	
2041	565,000	183,387	748,387	
2042	605,000	159,375	764,375	
2043	630,000	133,662	763,662	
2044	675,000	106,887	781,887	
2045	700,000	78,200	778,200	
2046	1,140,000	48,450	1,188,450	
	<u>\$ 11,205,000</u>	<u>9,271,181</u>	<u>\$ 20,476,181</u>	

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



## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of EL PASO COUNTY, Colorado.

On behalf of the BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS,  
(governing body)<sup>B</sup>

of the BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2,  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 19,807,480 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 19,807,480 (NET<sup>G</sup> 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:** 11/29/17 for budget/fiscal year 2018.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	22.111 mills	\$ 437,963
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	22.111 mills	<b>\$ 437,963</b>
3. General Obligation Bonds and Interest <sup>J</sup>	27.638 mills	\$ 547,439
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify): _____	mills	\$
_____	mills	\$
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	49.749 mills	<b>\$985,402</b>

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

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

- |    |                   |   |
|----|-------------------|---|
| 1. | Purpose of Issue: | Public infrastructure improvements                            |
|    | Series:           | Unlimited Tax General Obligation Refunding Bonds, Series 2016 |
|    | Date of Issue:    | December 8, 2016  |
|    | Coupon Rate:      | 2.000% – 4.250%   |
|    | Maturity Date:    | December 1, 2046  |
|    | Levy:             | 27.638  |
|    | Revenue:          | \$547,439   |
|    |                   |   |
| 2. | Purpose of Issue: | _____   |
|    | Series:           | _____   |
|    | Date of Issue:    | _____   |
|    | Coupon Rate:      | _____   |
|    | Maturity Date:    | _____   |
|    | Levy:             | _____   |
|    | Revenue:          | _____   |

**CONTRACTS<sup>K</sup>:**

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

**NOTICE CONCERNING PROPOSED BUDGET OF  
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2**

NOTICE is hereby given that a proposed budget has been submitted to the Board of Directors of Banning Lewis Ranch Metropolitan District No. 2 for the ensuing year of 2018; that a copy of such proposed budget has been filed in the office of the District at CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same is open for public inspection; and that such proposed budget will be considered at a public hearing of the Board of Directors of the District to be held at NorthTree Ranch House, 6885 Vista del Pico, Colorado Springs, Colorado on November 8, 2017, at 10:00 a.m. Any elector within the District may, at any time prior to the final adoption of the budget, inspect the budget and file or register any objections thereto.

BANNING LEWIS RANCH  
METROPOLITAN DISTRICT NO. 2

By: Chuck Reid  
District Manager

Published In: The Daily Transcript

Published On: November 3, 2017

Proof of Publication

THE TRANSCRIPT  
Colorado Springs, Colorado

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

I, Amy Sweet, Editor and COO, or the undersigned Authorized Agent of the Editor and COO, do solemnly swear that I am the Editor and COO, or Authorized Agent of the Editor and COO 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:

03, NOVEMBER, A.D. 2017.

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

03, NOVEMBER, A.D. 2017.

In witness whereof, I have hereunto set my hand this 3rd day of November, A.D. 2017.

*Cathy Reilly*  
\_\_\_\_\_  
Editor and COO/Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 3rd day of November, A.D. 2017.

*Robyn Kirk*  
\_\_\_\_\_  
Notary Public

**NOTICE CONCERNING  
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Banning Lewis Ranch  
Metropolitan Ranch No. 2  
By: *Chuck Reid*  
District Manager  
Publication Date: November 3, 2017  
Published in The Transcript  
DT32338

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