

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2020

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

Attached are the 2020 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 21, 2019. If there are any questions on the budget, please contact:

Josh Miller, District Manager
c/o CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 719-284-7226

I, Josh Miller, District Manager of the Banning Lewis Ranch Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2020 budget.



By: _____
Josh Miller, District Manager

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION NO. 2019-11-02

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 LLP, to prepare and submit a proposed 2020 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, 2019 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 21, 2019, 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:	\$	560,062
Enterprise Fund:	\$	N/A
Debt Service Fund:	\$	630,000
Reserve Fund:	\$	55,000
Total	\$	1,245,062

2. That estimated revenues are as follows:

General Fund:

From fund transfers	N/A
From sources other than general property tax	\$61,287
From general property tax abatements	N/A
From general property tax	\$498,775
Total	\$560,062

Debt Service Fund:

From unappropriated surpluses	\$690,981
From fund transfers	N/A
From sources other than general property tax	\$78,578
From general property tax	\$623,436
Total	\$1,392,995

Capital Projects Fund:

From unappropriated surpluses	\$174,039
From fund transfers	N/A
From other sources	\$2,200
Total	\$176,239

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 2020 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 \$498,775; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$623,436; and

WHEREAS, the 2019 valuation for assessment of the District, as certified by the County Assessor, is \$22,400,770.

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 2020 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 22.266 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$498,775.

2. That for the purpose of meeting all debt service expenses of the District during the 2020 budget year, there is hereby levied a property tax of 27.831 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$623,436.

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:	\$560,062
Enterprise Fund:	N/A
Debt Service Fund:	\$1,392,995
<u>Capital Projects Fund:</u>	<u>\$176,239</u>
Total	\$2,129,296



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Banning Lewis Ranch Metropolitan District No. 2

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, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 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 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 13, 2020



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**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 824,739	\$ 841,001	\$ 865,020
REVENUES			
Property taxes	985,402	993,802	1,122,211
Specific ownership tax	124,508	120,000	123,443
Interest income	23,685	23,500	14,700
Other revenue	-	-	3,922
Total revenues	<u>1,133,595</u>	<u>1,137,302</u>	<u>1,264,276</u>
Total funds available	<u>1,958,334</u>	<u>1,978,303</u>	<u>2,129,296</u>
EXPENDITURES			
General Fund	495,725	499,951	560,062
Debt Service Fund	615,864	613,332	630,000
Capital Projects Fund	5,744	-	55,000
Total expenditures	<u>1,117,333</u>	<u>1,113,283</u>	<u>1,245,062</u>
Total expenditures and transfers out requiring appropriation	<u>1,117,333</u>	<u>1,113,283</u>	<u>1,245,062</u>
ENDING FUND BALANCES	<u>\$ 841,001</u>	<u>\$ 865,020</u>	<u>\$ 884,234</u>
DEBT SERVICE RESERVE	\$ 390,944	\$ 390,944	\$ 390,944
DEBT SERVICE SURPLUS	281,263	300,037	372,051
TOTAL RESERVE	<u>\$ 672,207</u>	<u>\$ 690,981</u>	<u>\$ 762,995</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/13/20

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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ASSESSED VALUATION

Residential	\$ 19,545,860	\$ 19,857,390	\$ 22,308,080
Commercial	42,220	14,430	2,120
State assessed	61,770	64,610	63,460
Vacant land	157,630	39,890	27,110
Certified Assessed Value	\$ 19,807,480	\$ 19,976,320	\$ 22,400,770

MILL LEVY

General	22.111	22.111	22.266
Debt Service	27.638	27.638	27.831
Total mill levy	49.749	49.749	50.097

PROPERTY TAXES

General	\$ 437,963	\$ 441,696	\$ 498,775
Debt Service	547,439	552,106	623,436
Levied property taxes	985,402	993,802	1,122,211
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 985,402	\$ 993,802	\$ 1,122,211

BUDGETED PROPERTY TAXES

General	\$ 437,963	\$ 441,696	\$ 498,775
Debt Service	547,439	552,106	623,436
	\$ 985,402	\$ 993,802	\$ 1,122,211

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 500	\$ 755	\$ -
REVENUES			
Property taxes	437,963	441,696	498,775
Specific ownership tax	55,339	55,000	54,865
Interest income	2,678	2,500	2,500
Other revenue	-	-	3,922
Total revenues	495,980	499,196	560,062
Total funds available	496,480	499,951	560,062
EXPENDITURES			
General and administrative			
County Treasurer's fee	6,571	6,625	7,482
Directors' fees	2,200	1,200	6,000
Banking fees	38	150	200
Payroll taxes	168	92	459
Contingency	-	-	3,984
Intergovernmental expenditures	486,748	491,884	541,937
Total expenditures	495,725	499,951	560,062
Total expenditures and transfers out requiring appropriation	495,725	499,951	560,062
ENDING FUND BALANCE	\$ 755	\$ -	\$ -

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 654,637	\$ 672,207	\$ 690,981
REVENUES			
Property taxes	547,439	552,106	623,436
Specific ownership tax	69,169	65,000	68,578
Interest income	16,826	15,000	10,000
Total revenues	633,434	632,106	702,014
Total funds available	1,288,071	1,304,313	1,392,995
EXPENDITURES			
Debt Service			
Bond interest - Series 2016	474,650	472,050	469,450
Bond principal - Series 2016	130,000	130,000	145,000
County Treasurer's fee	8,214	8,282	9,352
Contingency	-	-	3,198
Paying agent fees	3,000	3,000	3,000
Total expenditures	615,864	613,332	630,000
Total expenditures and transfers out requiring appropriation	615,864	613,332	630,000
ENDING FUND BALANCE	\$ 672,207	\$ 690,981	\$ 762,995
DEBT SERVICE RESERVE	\$ 390,944	\$ 390,944	\$ 390,944
DEBT SERVICE SURPLUS	281,263	300,037	372,051
TOTAL RESERVE	\$ 672,207	\$ 690,981	\$ 762,995

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 169,602	\$ 168,039	\$ 174,039
REVENUES			
Interest income	4,181	6,000	2,200
Total revenues	<u>4,181</u>	<u>6,000</u>	<u>2,200</u>
Total funds available	<u>173,783</u>	<u>174,039</u>	<u>176,239</u>
EXPENDITURES			
Contingency	-	-	5,000
Capital outlay	5,744	-	50,000
Total expenditures	<u>5,744</u>	<u>-</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,744</u>	<u>-</u>	<u>55,000</u>
ENDING FUND BALANCE	<u>\$ 168,039</u>	<u>\$ 174,039</u>	<u>\$ 121,239</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
2020 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 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of property taxes is reflected on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

The change in assessment ratio from 7.20% to 7.15% allows the District to adjust its mill levy to offset the decrease in revenues. The District has elected to impose an adjusted mill levy for operations.

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 11% 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 1.50%.

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 22.266 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

Principal and interest payments are provided based on the debt amortization schedule from the District's Series 2016 General Obligation Refunding Bonds (discussed under Debt and Leases).

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

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%.

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 2020 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**

Bonds and Interest Maturing in the Year Ending December 31, Year	\$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		
	Principal	Interest	Total
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>\$ 10,945,000</u>	<u>\$ 8,324,481</u>	<u>\$ 19,269,481</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 Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 22,400,770 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: \$ 22,400,770 (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: 12/11/19 for budget/fiscal year 2020.
(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	22.266 mills	\$ 498,775
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	22.266 mills	\$ 498,775
3. General Obligation Bonds and Interest ^J	27.831 mills	\$ 623,436
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]	50.097 mills	\$ 1,122,211

Contact person: 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.

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: | <u>Public infrastructure improvements</u> |
| | Series: | <u>Unlimited Tax General Obligation Refunding Bonds, Series 2016</u> |
| | Date of Issue: | <u>December 8, 2016</u> |
| | Coupon Rate: | <u>2.000% – 4.250%</u> |
| | Maturity Date: | <u>December 1, 2046</u> |
| | Levy: | <u>27.831</u> |
| | Revenue: | <u>\$ 623,436</u> |
| | | |
| 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.

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:

06, NOVEMBER, A.D. 2019.

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

06, NOVEMBER, A.D. 2019.

In witness whereof, I have hereunto set my hand this 6th day of November, A.D. 2019.

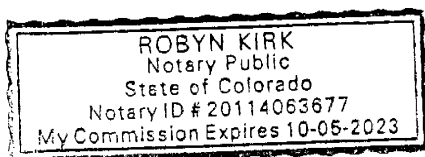
Amy Sweet

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 6th day of November, A.D. 2019.

Robyn Kirk

Notary Public



NOTICE CONCERNING
PROPOSED
2020 BUDGET AND AMENDMENT
OF 2019 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 (the "Board") of Banning Lewis Ranch Metropolitan District No. 2 (the "District") for the ensuing year of 2020. The necessity may also arise for the amendment of the 2019 budget of the District. Copies of the proposed 2020 budget and 2019 amended budget (if appropriate) are on file in the office of the District at CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same is open for public inspection. Such proposed 2020 budget and 2019 amended budget (if appropriate) will be considered at a public hearing of the Board to be held at NorthTree Ranch House, 6885 Vista del Pico, Colorado Springs, Colorado on November 21, 2019, at 9:30 a.m. Any interested elector within the District may, at any time prior to the final adoption of 2020 budget or the 2019 amended budget (if appropriate), inspect the budgets and file or register any objections thereto.

BANNING LEWIS RANCH
METROPOLITAN DISTRICT NO. 2
By: *Josh Miller*
District Manager
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