

LETTER OF BUDGET TRANSMITTAL

Date: January 28, 2021

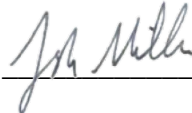
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2021 budget and budget message for BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 22, 2020. If there are any questions on the budget, please contact:

Mr. Josh Miller
CliftonLarsonAllen LLP
111 S. Tejon, Suite 705
Colorado Springs, Colorado
Phone: 303-779-5710

I, Josh Miller as District Manager of the Banning Lewis Ranch Metropolitan District No. 3, hereby certify that the attached is a true and correct copy of the 2021 budget.

By: _____



**RESOLUTION
TO ADOPT 2021 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2021 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. 3, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021, AND ENDING ON THE LAST DAY OF DECEMBER, 2021,

WHEREAS, the Board of Directors of the Banning Lewis Ranch Metropolitan District No. 3 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 October 22, 2020 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 \$529,471; 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 \$435,828; 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 2020 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$23,779,360; 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. 3 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. 3 for calendar year 2021.

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 2021 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 2021 budget year, there is hereby levied a tax of 22.266 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

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 2020.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2021 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 18.328 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2020.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2021 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 2020.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2021 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 2020.

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 2020.

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, 2020, 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, 2020 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.

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ADOPTED this 22nd day of October, 2020.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3

DocuSigned by:
FLOYD PETTY
DE55DED177D6432...

President

ATTEST:

DocuSigned by:
Michael Brotten
CD18A007E14040D...

Secretary

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

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|---------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 1,763,917 | \$ 2,076,097 | \$ 892,218 |
| REVENUES | | | |
| Property taxes | 963,098 | 1,278,278 | 965,299 |
| Specific ownership tax | 116,602 | 136,250 | 96,530 |
| Interest income | 42,667 | 42,025 | 11,150 |
| Intergovernmental revenue - BLR No. 5 | 2,517,815 | - | - |
| Facilities fees | 154,000 | 1,000 | - |
| Other revenue | - | - | 7,282 |
| Bond issuance | - | 8,490,000 | - |
| Bond premium | - | 1,141,449 | - |
| Total revenues | <u>3,794,182</u> | <u>11,089,002</u> | <u>1,080,261</u> |
| TRANSFERS IN | <u>-</u> | <u>22,251</u> | <u>-</u> |
| Total funds available | <u>5,558,099</u> | <u>13,187,350</u> | <u>1,972,479</u> |
| EXPENDITURES | | | |
| General Fund | 432,148 | 566,120 | 590,000 |
| Debt Service Fund | 532,039 | 11,706,761 | 484,374 |
| Capital Projects Fund | 2,517,815 | - | 38,551 |
| Total expenditures | <u>3,482,002</u> | <u>12,272,881</u> | <u>1,112,925</u> |
| TRANSFERS OUT | <u>-</u> | <u>22,251</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>3,482,002</u> | <u>12,295,132</u> | <u>1,112,925</u> |
| ENDING FUND BALANCES | <u>\$ 2,076,097</u> | <u>\$ 892,218</u> | <u>\$ 859,554</u> |
| DEBT SERVICE RESERVE | \$ 755,869 | \$ 557,600 | \$ 557,600 |
| CAPITALIZED INTEREST FUND | - | 296,467 | 301,954 |
| SURPLUS FUND | 845,500 | - | - |
| TOTAL RESERVE | <u>\$ 1,601,369</u> | <u>\$ 854,067</u> | <u>\$ 859,554</u> |

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/28/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|--------------------------------|----------------------|----------------------|----------------------|
| ASSESSED VALUATION | | | |
| Residential | \$ 15,430,160 | \$ 22,141,680 | \$ 23,437,120 |
| Commercial | 94,340 | 72,050 | 47,680 |
| Vacant land | 1,898,610 | 750,450 | 294,560 |
| Certified Assessed Value | <u>\$ 17,423,110</u> | <u>\$ 22,964,180</u> | <u>\$ 23,779,360</u> |
| | | | |
| MILL LEVY | | | |
| General | 22.111 | 22.266 | 22.266 |
| Debt Service | 33.166 | 33.398 | 18.328 |
| Total mill levy | <u>55.277</u> | <u>55.664</u> | <u>40.594</u> |
| | | | |
| PROPERTY TAXES | | | |
| General | \$ 385,242 | \$ 511,320 | \$ 529,471 |
| Debt Service | 577,855 | 766,958 | 435,828 |
| Levied property taxes | <u>963,097</u> | <u>1,278,278</u> | <u>965,299</u> |
| Adjustments to actual/rounding | 1 | - | - |
| Budgeted property taxes | <u>\$ 963,098</u> | <u>\$ 1,278,278</u> | <u>\$ 965,299</u> |
| | | | |
| BUDGETED PROPERTY TAXES | | | |
| General | <u>\$ 385,242</u> | <u>\$ 511,320</u> | <u>\$ 529,471</u> |
| Debt Service | <u>577,856</u> | <u>766,958</u> | <u>435,828</u> |
| | <u>\$ 963,098</u> | <u>\$ 1,278,278</u> | <u>\$ 965,299</u> |

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 385,242 | 511,320 | 529,471 |
| Specific ownership tax | 46,641 | 54,500 | 52,947 |
| Interest income | 265 | 300 | 300 |
| Other revenue | - | - | 7,282 |
| Total revenues | <u>432,148</u> | <u>566,120</u> | <u>590,000</u> |
| Total funds available | <u>432,148</u> | <u>566,120</u> | <u>590,000</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Contingency | - | - | 7,282 |
| County Treasurer's fee | 5,780 | 7,670 | 7,942 |
| Transfers to BLR 1 O&M Taxes | 426,368 | 558,450 | 574,776 |
| Total expenditures | <u>432,148</u> | <u>566,120</u> | <u>590,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>432,148</u> | <u>566,120</u> | <u>590,000</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/28/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|---------------------|-------------------|-------------------|
| BEGINNING FUND BALANCE | \$ 1,705,780 | \$ 2,016,420 | \$ 854,067 |
| REVENUES | | | |
| Property taxes | 577,856 | 766,958 | 435,828 |
| Specific ownership tax | 69,961 | 81,750 | 43,583 |
| Interest income | 40,862 | 41,000 | 10,450 |
| Facilities fees | 154,000 | 1,000 | - |
| Bond issuance | - | 8,490,000 | - |
| Bond premium | - | 1,141,449 | - |
| Total revenues | <u>842,679</u> | <u>10,522,157</u> | <u>489,861</u> |
| TRANSFERS IN | | | |
| Transfers from other funds | <u>-</u> | <u>22,251</u> | <u>-</u> |
| Total funds available | <u>2,548,459</u> | <u>12,560,828</u> | <u>1,343,928</u> |
| EXPENDITURES | | | |
| Debt Service | | | |
| Bond interest - Series 2015A | 517,869 | 517,869 | - |
| Bond interest - Series 2015B | - | 473,598 | - |
| Bond interest - Series 2020 | - | 5,449 | 280,250 |
| Contingency | - | - | 9,087 |
| County Treasurer's fee | 8,670 | 11,504 | 6,537 |
| Paying agent fees | 5,500 | 5,500 | 3,500 |
| Bond principal - Series 2015A | - | 8,455,000 | - |
| Bond principal - Series 2015B | - | 1,620,000 | - |
| Bond principal - Series 2020 | - | - | 185,000 |
| Bond redemption premium | - | 302,250 | - |
| Bond issue costs | - | 315,591 | - |
| Total expenditures | <u>532,039</u> | <u>11,706,761</u> | <u>484,374</u> |
| Total expenditures and transfers out requiring appropriation | <u>532,039</u> | <u>11,706,761</u> | <u>484,374</u> |
| ENDING FUND BALANCE | <u>\$ 2,016,420</u> | <u>\$ 854,067</u> | <u>\$ 859,554</u> |
| DEBT SERVICE RESERVE | \$ 755,869 | \$ 557,600 | \$ 557,600 |
| CAPITALIZED INTEREST FUND | - | 296,467 | 301,954 |
| SURPLUS FUND | 845,500 | - | - |
| TOTAL RESERVE | <u>\$ 1,601,369</u> | <u>\$ 854,067</u> | <u>\$ 859,554</u> |

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/21

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|------------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ 58,137 | \$ 59,677 | \$ 38,151 |
| REVENUES | | | |
| Interest income | 1,540 | 725 | 400 |
| Intergovernmental revenue - BLR No. 5 | 2,517,815 | - | - |
| Total revenues | <u>2,519,355</u> | <u>725</u> | <u>400</u> |
| Total funds available | <u>2,577,492</u> | <u>60,402</u> | <u>38,551</u> |
| EXPENDITURES | | | |
| General and Administrative | | | |
| Contingency | - | - | 38,551 |
| Capital Projects | | | |
| Repay developer advance - principal | 2,517,815 | - | - |
| Total expenditures | <u>2,517,815</u> | <u>-</u> | <u>38,551</u> |
| TRANSFERS OUT | | | |
| Transfers to other fund | <u>-</u> | <u>22,251</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>2,517,815</u> | <u>22,251</u> | <u>38,551</u> |
| ENDING FUND BALANCE | <u>\$ 59,677</u> | <u>\$ 38,151</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Banning Lewis Ranch Metropolitan District No. 3 (“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, 2, 4, 5, 6 (now Banning Lewis Ranch Regional Metropolitan District No. 1), and 7 (now Banning Lewis Ranch Regional Metropolitan District No. 2. 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. 3, are the Financing Districts which will issue debt, levy ad valorem taxes on taxable properties within each District and assess fees, rates and other charges as authorized by law. Banning Lewis Ranch Regional Metropolitan District No. 1 will serve as the Regional Improvement District serving all of the Districts. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

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

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

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2021 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 10% 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 fees have been computed at 1.5% of property tax collections.

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, are expected to be transferred to District No. 1, the Operating District, which pays all administrative expenditures of the District.

Debt Service

Principal and interest payments are provided based on the debt amortization schedules from the District's Series 2020 General Obligation Refunding Bonds (discussed under Debt and Leases).

Debt and Leases

On November 24, 2020, the District will issue General Obligation Refunding Bonds, Series 2020 (2020 Bonds), in the principal amount of \$8,490,000 for the purpose of (1) refunding the District's General Obligation Limited Tax Bonds, Series 2015A, (2) refunding the District's Subordinate General Obligation Limited Tax Bonds, Series 2015B, (3) paying the cost of issuing the 2020 Bonds, and (4) realizing a net present value savings of \$4,360,531. The 2020 Bonds will have a maturity date of December 1, 2045, and be comprised of term bonds with an interest rate between 1.000% and 4.000%.

The 2020 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2030, and on any date thereafter, at par.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Pledged Revenue will consist of (i) revenues produced from the required debt service mill levy to produce an amount sufficient to pay debt service up to the District's mill levy cap of 30 mills, as adjusted (the "Required Mill Levy"), and (ii) specific ownership taxes generated from the Required Mill Levy. The 2020 Bonds will be further secured by amounts held by a Trustee in the Reserve Fund in the amount of \$557,600.

The following is an analysis of the District's long-term obligations through the year-ended December 31, 2021:

| | Balance at December 31, 2019 | Additions | Retirement of Long-Term Obligations | Balance at December 31, 2020 | Additions | Retirement of Long-Term Obligations | Balance at December 31, 2021 | Due Within One Year |
|--------------------------------------|------------------------------------|----------------------|---|------------------------------------|---------------------|---|------------------------------------|---------------------------|
| Bonds | | | | | | | | |
| Series 2015A | \$ 8,455,000 | \$ - | \$ 8,455,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Tax Bonds | | | | | | | | |
| Series 2015B | | | | | | | | |
| Principal | 1,620,000 | - | 1,620,000 | - | - | - | - | - |
| Accrued Interest | 580,685 | 10,387 | 591,072 | - | - | - | - | - |
| Bond Discount | (117,474) | - | (117,474) | - | - | - | - | - |
| Refunding Bonds | | | | | | | | |
| Series 2020 | - | 8,490,000 | - | 8,490,000 | - | 185,000 | 8,305,000 | 195,000 |
| Bond Issue Premium | - | 1,141,449 | 1,223 | 1,140,226 | - | 62,906 | 1,077,320 | 62,491 |
| Subtotal | 10,538,211 | 9,641,836 | 10,549,821 | 9,630,226 | - | 247,906 | 9,382,320 | 257,491 |
| Developer Advance | | | | | | | | |
| Payable - Operations | 3,626,207 | - | - | 3,626,207 | - | - | 3,626,207 | - |
| Developer Advance | | | | | | | | |
| Payable - Capital | 31,291,485 | - | - | 31,291,485 | - | - | 31,291,485 | - |
| Accrued Interest on Developer | | | | | | | | |
| Advance Payable - Operations | 1,821,899 | 253,834 | - | 2,075,733 | 253,834 | - | 2,329,567 | - |
| Accrued Interest on Developer | | | | | | | | |
| Advance Payable - Capital | 50,046,586 | 2,190,405 | - | 52,236,991 | 2,190,405 | - | 54,427,396 | - |
| Total | \$ 97,324,388 | \$ 12,086,075 | \$ 10,549,821 | \$ 98,860,642 | \$ 2,444,239 | \$ 247,906 | \$ 101,056,975 | \$ 257,491 |

The District has no operating or capital leases.

Reserves

Debt Service Reserve

The District anticipates a debt service reserve fund for the 2020 Bonds in the amount of \$557,600.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves (continued)

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, the Emergency Reserve for these funds is reflected in the budget of District No. 1.

This information is an integral part of the accompanying budget.

**BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

| Bonds and Interest Maturing in the Year Ending December 31, Year | \$8,455,00 General Obligation Limited Tax Bonds Series 2015A Dated November 24, 2015 Principal Due December 1 Interest Rate 6.125% Payable June 1 and December 1 | | |
|--|---|---------------------|----------------------|
| | Principal | Interest | Total |
| 2020 | \$ - | \$ 517,869 | \$ 517,869 |
| 2021 | 65,000 | 517,869 | 582,869 |
| 2022 | 95,000 | 513,887 | 608,887 |
| 2023 | 100,000 | 508,068 | 608,068 |
| 2024 | 120,000 | 501,943 | 621,943 |
| 2025 | 125,000 | 494,594 | 619,594 |
| 2026 | 145,000 | 486,937 | 631,937 |
| 2027 | 155,000 | 478,056 | 633,056 |
| 2028 | 175,000 | 468,562 | 643,562 |
| 2029 | 190,000 | 457,843 | 647,843 |
| 2030 | 215,000 | 446,206 | 661,206 |
| 2031 | 225,000 | 433,037 | 658,037 |
| 2032 | 250,000 | 419,256 | 669,256 |
| 2033 | 270,000 | 403,943 | 673,943 |
| 2034 | 300,000 | 387,406 | 687,406 |
| 2035 | 315,000 | 369,031 | 684,031 |
| 2036 | 350,000 | 349,737 | 699,737 |
| 2037 | 370,000 | 328,300 | 698,300 |
| 2038 | 405,000 | 305,637 | 710,637 |
| 2039 | 430,000 | 280,831 | 710,831 |
| 2040 | 475,000 | 254,493 | 729,493 |
| 2041 | 500,000 | 225,400 | 725,400 |
| 2042 | 545,000 | 194,775 | 739,775 |
| 2043 | 580,000 | 161,393 | 741,393 |
| 2044 | 630,000 | 125,868 | 755,868 |
| 2045 | 1,425,000 | 87,281 | 1,512,281 |
| | <u>\$ 8,455,000</u> | <u>\$ 9,718,222</u> | <u>\$ 18,173,222</u> |

NOTE: This debt to maturity schedule only represents the senior obligation of the District. No debt to maturity schedule has been provided for the 2015B Subordinate Bonds because amounts are payable from subordinate pledged revenue, which may or may not be sufficient to make debt service payments when due.

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, 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>Debt Refunding</u> |
| | Series: | <u>General Obligation Refunding Bonds – Series 2020</u> |
| | Date of Issue: | <u>December 10, 2020</u> |
| | Coupon Rate: | <u>2.250 - 4.000%</u> |
| | Maturity Date: | <u>December 1, 2045</u> |
| | Levy: | <u>18.328</u> |
| | Revenue: | <u>\$ 435,828</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:

25, SEPTEMBER, A.D. 2020.

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

25, SEPTEMBER, A.D. 2020.

In witness whereof, I have hereunto set my hand this 25th day of September, A.D. 2020.

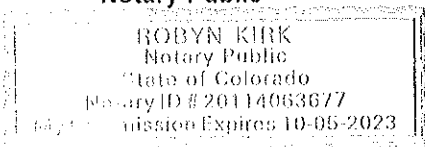
Cathy Riley

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 25th day of September, A.D. 2020.

Robyn Kirk

Notary Public



NOTICE OF HEARING ON
PROPOSED 2021 BUDGET AND
2020 BUDGET AMENDMENT

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2021 has been submitted to the Banning Lewis Ranch Metropolitan District No. 3 ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held virtually, at 1:00 p.m. on October 22, 2020. In order to preserve the health, safety, and welfare of the public in light of the imminent threat caused by the COVID-19 pandemic, this meeting and public hearing will be held by telephone and videoconference only. To attend and participate by telephone, dial 720-547-5281 and enter passcode 137 391 220#. Information regarding public participation by videoconference will be available at least 24 hours prior the meeting and public hearing online at <http://banninglewisranchmetrodistrict.com> or may be obtained by contacting Kimbrie Garcia by email at kimbrie.garcia@clacconnect.com or Josh Miller by telephone at 719-284-7226.

NOTICE IS FURTHER GIVEN that an amendment to the 2020 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2021 budget and the amended 2020 budget, if required, are available for public inspection at the offices of CliftonLarsonAllen LLP. Due to concerns related to COVID-19 and certain visitor restrictions that may be in place, please contact Kimbrie Garcia by email at kimbrie.garcia@clacconnect.com or Josh Miller by telephone at 719-284-7226 to make arrangements to inspect the budget prior to visiting the foregoing office. Any interested elector within the District may, at any time prior to final adoption of the 2021 budget and the amended 2020 budget, if required, file or register any objections thereto.

BANNING LEWIS RANCH
METROPOLITAN DISTRICT NO. 3
By: */s/ Floyd Petty*
President

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