



CliftonLarsonAllen

Accountant's Compilation Report

CliftonLarsonAllen LLP  
CLAconnect.com

Board of Directors  
Interquest North Business Improvement District  
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Interquest North Business Improvement District 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 Interquest North Business Improvement District.

*CliftonLarsonAllen LLP*

Colorado Springs, Colorado  
December 10, 2017

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
SUMMARY  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

12/10/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 1,261,088	\$ 1,350,229	\$ 2,097,214
REVENUES			
1 Property taxes	599,874	862,774	1,139,247
2 Specific ownership taxes	79,631	115,000	148,100
3 Public improvement fees	273,923	782,000	821,100
4 Developer advance	866,756	-	-
5 Net investment income	10,885	21,700	26,000
6 Bond issuance	4,765,000	-	-
Total revenues	6,596,069	1,781,474	2,134,447
TRANSFERS IN	13,584	20,511	-
Total funds available	7,870,741	3,152,214	4,231,661
EXPENDITURES			
7 General and administration			
8 Accounting	16,509	20,000	22,000
9 Audit	3,450	3,500	3,500
10 Contingency	-	3,118	3,165
11 County Treasurer's fees	180	254	335
12 District management	4,462	5,000	7,000
13 Dues and membership	285	305	400
14 Election	911	-	2,000
15 Insurance	1,812	1,812	2,500
16 Legal	18,331	15,000	18,000
17 Miscellaneous	1,080	1,000	100
18 PIF collection expense	6,096	4,500	6,000
19 Street repairs	-	20,511	-
20 Debt service			
21 Bond interest Series 2010	674,493	524,450	516,375
22 Bond interest Series 2016	-	307,125	305,825
23 Bond principal Series 2010	125,000	95,000	100,000
24 Bond principal Series 2016	-	20,000	20,000
25 Contingency	-	227	6,046
26 County Treasurer's fees	8,979	12,687	16,754
27 Capital projects			
28 Accounting	7,203	-	-
29 Bond issue cost	38,881	-	-
30 Capital outlay	5,599,256	-	-
Total expenditures	6,506,928	1,034,489	1,030,000
TRANSFERS OUT	13,584	20,511	-
Total expenditures and transfers out requiring appropriation	6,520,512	1,055,000	1,030,000
ENDING FUND BALANCES	\$ 1,350,229	\$ 2,097,214	\$ 3,201,661
EMERGENCY RESERVE	\$ 2,800	\$ 4,100	\$ 5,300
TOTAL RESERVE	\$ 2,800	\$ 4,100	\$ 5,300

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/10/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - EL PASO</b>			
Commercial	\$ 12,710,880	\$ 14,803,430	\$ 22,025,580
Agricultural	1,840	1,450	1,470
Vacant Land	856,550	224,260	311,130
Certified Assessed Value	<u>\$ 13,569,270</u>	<u>\$ 15,029,140</u>	<u>\$ 22,338,180</u>
<b>MILL LEVY</b>			
GENERAL FUND	1.000	1.000	1.000
DEBT SERVICE FUND	50.000	50.000	50.000
Refund and abatements	-	6.089	-
Total Mill Levy	<u>51.000</u>	<u>57.089</u>	<u>51.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 13,569	\$ 15,029	\$ 22,338
DEBT SERVICE FUND	678,464	751,457	1,116,909
Refund and abatements	-	91,512	-
Levied property taxes	<u>692,033</u>	<u>857,999</u>	<u>1,139,247</u>
Refund and abatements	<u>(92,159)</u>	<u>4,776</u>	<u>-</u>
Budgeted Property Taxes	<u>\$ 599,874</u>	<u>\$ 862,774</u>	<u>\$ 1,139,247</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 11,762	\$ 16,953	\$ 22,338
DEBT SERVICE FUND	588,112	845,821	1,116,909
	<u>\$ 599,874</u>	<u>\$ 862,774</u>	<u>\$ 1,139,247</u>

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

12/10/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 147,830	\$ 173,446	\$ 253,010
REVENUES			
1 Property taxes	11,762	16,953	22,338
2 Specific ownership taxes	79,631	115,000	148,100
3 Net investment income	923	2,100	3,000
Total revenues	92,316	134,053	173,438
TRANSFERS IN			
DEBT SERVICE FUND	-	20,511	-
Total transfers in	-	20,511	-
Total funds available	240,146	328,010	426,448
EXPENDITURES			
General and administration			
4 Accounting	16,509	20,000	22,000
5 Audit	3,450	3,500	3,500
6 Contingency	-	3,118	3,165
7 County Treasurer's fees	180	254	335
8 District management	4,462	5,000	7,000
9 Dues and membership	285	305	400
10 Election	911	-	2,000
11 Insurance	1,812	1,812	2,500
12 Legal	18,331	15,000	18,000
13 Miscellaneous	1,080	1,000	100
14 PIF collection expense	6,096	4,500	6,000
15 Street repairs	-	20,511	-
Total expenditures	53,116	75,000	65,000
TRANSFERS OUT			
CAPITAL PROJECTS FUND	13,584	-	-
Total transfers out	13,584	-	-
Total expenditures and transfers out requiring appropriation	66,700	75,000	65,000
ENDING FUND BALANCES	\$ 173,446	\$ 253,010	\$ 361,448
EMERGENCY RESERVE	\$ 2,800	\$ 4,100	\$ 5,300
TOTAL RESERVE	\$ 2,800	\$ 4,100	\$ 5,300

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT**  
**DEBT SERVICE FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/10/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 1,113,258	\$ 1,176,783	\$ 1,844,204
REVENUES			
1 Property taxes	588,112	845,821	1,116,909
2 Public improvement fees	273,923	782,000	821,100
3 Net investment income	9,962	19,600	23,000
Total revenues	871,997	1,647,421	1,961,009
Total funds available	1,985,255	2,824,204	3,805,213
EXPENDITURES			
Debt service			
4 Bond interest Series 2010	674,493	524,450	516,375
5 Bond interest Series 2016	-	307,125	305,825
6 Bond principal Series 2010	125,000	95,000	100,000
7 Bond principal Series 2016	-	20,000	20,000
8 Contingency	-	227	6,046
9 County Treasurer's fees	8,979	12,687	16,754
Total expenditures	808,472	959,489	965,000
TRANSFERS OUT			
GENERAL FUND	-	20,511	-
Total transfers out	-	20,511	-
Total expenditures and transfers out requiring appropriation	808,472	980,000	965,000
ENDING FUND BALANCES	\$ 1,176,783	\$ 1,844,204	\$ 2,840,213

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT**  
**CAPITAL PROJECTS FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/10/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	866,756	-	-
2 Bond issuance	4,765,000	-	-
Total revenues	<u>5,631,756</u>	-	-
TRANSFERS IN			
GENERAL FUND	13,584	-	-
Total transfers in	<u>13,584</u>	-	-
Total funds available	<u>5,645,340</u>	-	-
EXPENDITURES			
Capital projects			
3 Accounting	7,203	-	-
4 Bond issue cost	38,881	-	-
5 Capital outlay	5,599,256	-	-
Total expenditures	<u>5,645,340</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>5,645,340</u>	-	-
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities and landscaping. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District was organized by Ordinance of the City of Colorado Springs on October 26, 2004.

At an election held on November 2, 2004, the voters approved general obligation indebtedness of \$9,900,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,100,000 for water and storm drainage. The voters also approved an annual increase in taxes of \$50,000, at a mill levy rate not to exceed one mill, for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20, of the Colorado constitution. Pursuant to the District's operating plan filed annually with the City, the maximum debt service mill levy the District can impose is 50.000 mills. As set forth in the District's 2005 operating plan, the City has limited the amount of debt to be issued to a total of \$9,900,000 in the authorized voted categories, without future approval by the City.

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

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

**Revenues**

**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 the taxes levied is displayed on the property tax summary information page using the adopted mill levy of 51.00.

**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.

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.0%.

**PIF Fees**

The District anticipates receiving \$821,100 in Public Improvement Fees (PIF) during 2018. Pursuant to the PIF Covenant, these fees are pledged revenue to be used toward the repayment of the Series 2010 and 2016 Bonds.

**Expenditures**

**Administrative Expenditures**

Administrative and operating expenditures include the services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenses.

**County Treasurer's Fees**

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

**Debt Service**

Principal and interest payments in 2018 are provided based upon the debt amortization schedules of the Series 2010 General Obligation Bonds and the Series 2016 Limited Tax General Obligation Bonds.

**Debt and Leases**

On December 3, 2010, the District issued \$6,500,000 in General Obligation Bonds. The Bonds mature on December 1, 2040, and bear an interest rate of 8.5% paid annually on December 1. The first interest payment was due on December 1, 2011. At the option of the District, on any date, the bonds are subject to redemption prior to maturity without redemption premium. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

On June 8, 2016, the District issued \$4,765,000 in Limited Tax General Obligation Bonds. The Bonds mature on December 1, 2045, and bear an interest rate of 6.5% paid annually on December 1, with optional call date December 1, 2025. The first interest payment due is on December 1, 2016. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs.

The District's current debt service schedule is attached. The District has no capital or operational leases.



**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2018, as defined under TABOR.

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

**INTERQUEST NORTH BUSINESS IMPROVEMENT DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

	<b>\$6,500,000</b>		<b>\$4,765,000</b>		<b>Total All Bonds</b>
	<b>Series 2010 General Obligation Refunding Bonds Dated December 3, 2010 Interest Rate 8.50%</b>		<b>Series 2016 Limited Tax General Obligation Bonds Dated June 8, 2016 Interest Rate 6.50%</b>		
	<b>Principal and Interest Due December 1</b>		<b>Principal and Interest Due December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2018	\$ 100,000	\$ 516,375	\$ 20,000	\$ 305,825	\$ 942,200
2019	110,000	507,875	25,000	304,525	947,400
2020	120,000	498,525	30,000	302,900	951,425
2021	130,000	488,325	30,000	300,950	949,275
2022	140,000	477,275	35,000	299,000	951,275
2023	150,000	465,375	35,000	296,725	947,100
2024	165,000	452,625	40,000	294,450	952,075
2025	180,000	438,600	40,000	291,850	950,450
2026	195,000	423,300	45,000	289,250	952,550
2027	210,000	406,725	45,000	286,325	948,050
2028	230,000	388,875	50,000	283,400	952,275
2029	250,000	369,325	50,000	280,150	949,475
2030	270,000	348,075	55,000	276,900	949,975
2031	290,000	325,125	60,000	273,325	948,450
2032	315,000	300,475	60,000	269,425	944,900
2033	345,000	273,700	70,000	265,525	954,225
2034	375,000	244,375	70,000	260,975	950,350
2035	405,000	212,500	70,000	256,425	943,925
2036	355,000	178,075	165,000	251,875	949,950
2037	385,000	147,900	180,000	241,150	954,050
2038	415,000	115,175	185,000	229,450	944,625
2039	450,000	79,900	200,000	217,425	947,325
2040	490,000	41,650	210,000	204,425	946,075
2041	-	-	515,000	190,775	705,775
2042	-	-	550,000	157,300	707,300
2043	-	-	585,000	121,550	706,550
2044	-	-	620,000	83,525	703,525
2045	-	-	665,000	43,225	708,225
	<b>\$ 6,075,000</b>	<b>\$ 7,700,150</b>	<b>\$ 4,705,000</b>	<b>\$ 6,878,625</b>	<b>\$ 25,358,775</b>

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