

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2019
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2019 budget and budget message for INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 1st, 2018. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Mr. Josh Miller
8390 E. Crescent Pkwy, Suite 300
Greenwood Village, CO 80111
303-779-5710
Josh.Miller@claconnect.com

I, Josh Miller as District Manager of the Interquest South Business Improvement District, hereby certify that the attached is a true and correct copy of the 2019 budget.

By:  _____

**RESOLUTION
TO ADOPT 2019 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2019 TO HELP DEFRAID 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 INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2019, AND ENDING ON THE LAST DAY OF DECEMBER, 2019,

WHEREAS, the Board of Directors of the Interquest South Business Improvement District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 1, 2018 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$17,037; 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 \$85,187; 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 \$5,247; and

WHEREAS, the 2018 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$17,037,320; and

WHEREAS, at an election November 2, 2004, 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 INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT 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 Interquest South Business Improvement District for calendar year 2019.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2019 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2019 budget year, there is hereby levied a tax of 1.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby

certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2018.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2019 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 5.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2019 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2018.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2019 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2018.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.308 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2018.

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

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2018, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2018 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 1st day of November, 2018.

INTERQUEST SOUTH BUSINESS
IMPROVEMENT DISTRICT



President

ATTEST:



Secretary

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



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Interquest South Business Improvement District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Interquest South Business Improvement District for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 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 difference 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 Interquest South Business Improvement District.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
January 29, 2019



An independent member of Nexia International

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ (16,016)	\$ 1,480,350	\$ 1,438,504
REVENUES			
Property taxes	18,048	98,570	107,471
Specific ownership tax	2,445	12,024	12,897
Interest income	521	25,020	15,950
Public improvement fees	13,659	109,104	125,913
Developer advance	2,219,189	65,000	25,000
Bond issuance	4,000,000	-	-
Total revenues	<u>6,253,862</u>	<u>309,718</u>	<u>287,231</u>
TRANSFERS IN	<u>651,690</u>	<u>59,013</u>	<u>50,000</u>
Total funds available	<u>6,889,536</u>	<u>1,849,081</u>	<u>1,775,735</u>
EXPENDITURES			
General Fund	357,714	127,540	140,000
Debt Service Fund	-	187,524	225,000
Capital Projects Fund	4,399,782	36,500	990,294
Total expenditures	<u>4,757,496</u>	<u>351,564</u>	<u>1,355,294</u>
TRANSFERS OUT	<u>651,690</u>	<u>59,013</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,409,186</u>	<u>410,577</u>	<u>1,405,294</u>
ENDING FUND BALANCES	<u>\$ 1,480,350</u>	<u>\$ 1,438,504</u>	<u>\$ 370,441</u>
EMERGENCY RESERVE	\$ 620	\$ 1,000	\$ 1,000
AVAILABLE FOR OPERATIONS	26,464	37,530	3,339
SURPLUS FUND	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 327,084</u>	<u>\$ 338,530</u>	<u>\$ 304,339</u>

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Commercial	\$ 15,679,810	\$ 15,161,000	\$ 14,759,510
Industrial	1,385,930	1,619,690	1,619,690
State assessed	17,430	35,890	9,420
Vacant land	965,030	486,370	648,700
Certified Assessed Value	<u>\$ 18,048,200</u>	<u>\$ 17,302,950</u>	<u>\$ 17,037,320</u>
MILL LEVY			
General	1.000	1.000	1.000
Debt Service	0.000	5.000	5.000
Refund and abatements	0.000	0.000	0.308
Total mill levy	<u>1.000</u>	<u>6.000</u>	<u>6.308</u>
PROPERTY TAXES			
General	\$ 18,048	\$ 17,303	\$ 17,037
Debt Service	-	86,515	85,187
Refund and abatements	-	-	5,247
Levied property taxes	<u>18,048</u>	<u>103,818</u>	<u>107,471</u>
Refunds and abatements	<u>-</u>	<u>(5,248)</u>	<u>-</u>
Budgeted property taxes	<u>\$ 18,048</u>	<u>\$ 98,570</u>	<u>\$ 107,471</u>
BUDGETED PROPERTY TAXES			
General	\$ 18,048	\$ 16,428	\$ 17,912
Debt Service	-	82,142	89,559
Budgeted property taxes	<u>\$ 18,048</u>	<u>\$ 98,570</u>	<u>\$ 107,471</u>

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2019 BUDGET**

**WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ (16,016)	\$ 27,084	\$ 38,530
REVENUES			
Property taxes	18,048	16,428	17,912
Specific ownership tax	2,445	12,024	12,897
Interest income	9	-	-
Developer advance	175,607	65,000	25,000
Total revenues	196,109	93,452	55,809
TRANSFERS IN			
Transfers from Capital Projects Fund	204,705	-	-
Transfers from Debt Service Fund	-	50,000	50,000
Total funds available	384,798	170,536	144,339
EXPENDITURES			
General and administrative			
Accounting	24,075	31,000	25,500
Auditing	2,100	3,050	2,700
County Treasurer's fee	271	246	269
PIF Collection Fees	-	4,002	4,100
Dues and licenses	336	370	400
Insurance and bonds	1,337	1,337	1,600
District management	18,967	15,000	15,300
Legal services	84,087	10,000	25,500
Miscellaneous	2,170	2,000	2,100
Other consulting	3,304	-	-
Election expense	-	1,114	-
Developer advance interest	6,788	-	-
Repay developer advance	197,917	-	-
Contingency	-	-	1,631
Operations and maintenance			
Repairs and maintenance	-	1,500	2,100
Landscaping	4,519	15,421	15,300
Miscellaneous - O&M	-	1,000	1,100
Snow removal	-	10,000	10,200
Utilities	11,843	31,500	32,200
Total expenditures	357,714	127,540	140,000
TRANSFERS OUT			
Transfers to Capital Projects Fund	-	4,466	-
Total expenditures and transfers out requiring appropriation	357,714	132,006	140,000
ENDING FUND BALANCE	\$ 27,084	\$ 38,530	\$ 4,339
EMERGENCY RESERVE	\$ 620	\$ 1,000	\$ 1,000
AVAILABLE FOR OPERATIONS	26,464	37,530	3,339
TOTAL RESERVE	\$ 27,084	\$ 38,530	\$ 4,339

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ 453,311	\$ 419,680
REVENUES			
Public improvement fees	6,168	109,104	125,913
Property taxes	-	82,142	89,559
Interest income	158	8,100	5,950
Total revenues	<u>6,326</u>	<u>199,346</u>	<u>221,422</u>
TRANSFERS IN			
Transfers from Capital Projects Fund	<u>446,985</u>	<u>4,547</u>	<u>-</u>
Total funds available	<u>453,311</u>	<u>657,204</u>	<u>641,102</u>
EXPENDITURES			
County Treasurer's fee	-	1,229	1,343
Paying agent fees	-	-	2,000
Contingency	-	-	557
Debt Service			
Bond interest - Series 2017	-	186,295	196,100
Bond principal - Series 2017	-	-	25,000
Total expenditures	<u>-</u>	<u>187,524</u>	<u>225,000</u>
TRANSFERS OUT			
Transfers to General Fund	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>237,524</u>	<u>275,000</u>
ENDING FUND BALANCE	<u>\$ 453,311</u>	<u>\$ 419,680</u>	<u>\$ 366,102</u>
SURPLUS FUND	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
TOTAL RESERVE	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ 999,955	\$ 980,294
REVENUES			
Public improvement fees	7,491	-	-
Interest income	354	16,920	10,000
Developer advance	2,043,582	-	-
Bond issuance	4,000,000	-	-
Total revenues	<u>6,051,427</u>	<u>16,920</u>	<u>10,000</u>
TRANSFERS IN			
Transfers from General Fund	<u>-</u>	<u>4,466</u>	<u>-</u>
Total funds available	<u>6,051,427</u>	<u>1,021,341</u>	<u>990,294</u>
EXPENDITURES			
General and Administrative			
Accounting	-	6,000	-
PIF collection expense	758	-	-
Bond issue costs	318,745	-	-
Legal services	-	500	-
Developer advance interest	5,962	-	-
Capital Projects			
Repay developer advance	2,044,107	-	-
Streets	1,722,343	-	-
Sewer	124,744	-	-
Water	183,123	-	-
Capital outlay	-	30,000	990,294
Total expenditures	<u>4,399,782</u>	<u>36,500</u>	<u>990,294</u>
TRANSFERS OUT			
Transfers to General Fund	<u>204,705</u>	<u>-</u>	<u>-</u>
Transfers to Debt Service Fund	<u>446,985</u>	<u>4,547</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,051,472</u>	<u>41,047</u>	<u>990,294</u>
ENDING FUND BALANCE	<u>\$ 999,955</u>	<u>\$ 980,294</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 SOUTH BUSINESS IMPROVEMENT DISTRICT
2019 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 \$24,000,000 for street improvements. On November 1, 2005, the District's electors authorized additional indebtedness of \$3,500,000 for water and sanitary sewer. The voters also approved an annual increase in taxes of \$60,000, 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 2006 operating plan, the City has limited the amount of debt to be issued to a total of \$24,000,000 in the authorized voted categories, without future approval by the City.

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 difference 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 the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2019 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 12% of the property taxes collected.

Net Investment Income

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

PIF Fees

The District charges a public improvement fee (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of 1.50%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end. All PIF fees are pledged to the payment of the District's Series 2017 Special Tax Revenue Bonds, except for \$50,000, which is to be transferred in 2019 and 2020 to the General Fund for operations and maintenance funding. Beginning in 2021, the amount to be transferred will increase to \$135,000. The amount transferred each year will be increased 1% per year beginning in 2022.

Expenditures

Administrative and Operations/Maintenance Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenses. The District has also budgeted for operations and maintenance expenditures for landscaping, snow removal, utilities, and repairs and maintenance of District property.

County Treasurer's Fees

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

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2017 Bonds (discussed under Debt and Leases).

Capital Outlay

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

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On December 19, 2017, the District issued \$4,000,000 in Series 2017 Limited Property Tax and Public Improvement Fee Revenue Bonds ("the Bonds") on December 7, 2017 to fund public improvements, pay bond issue costs, fund an initial deposit to the Surplus Fund, and fund capitalized interest. The Bonds bear interest ranging from 4.5% to 5.0% paid semi-annually on June 1 and December 1, beginning December 1, 2019. The Bonds mature on December 1, 2047. The Bonds will be secured by and payable solely from pledged revenues, after the Annual Operations Deduction Amount and net of the cost of collection, consisting of (1) revenues attributable to a privately imposed public improvement fee payable with respect to certain retail sales transactions and construction activities occurring within the development, (2) revenues attributable to property taxes derived from an initial required mill levy of 5.000 mills, up to an estimated maximum of 30.000 mills, and (3) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. The Annual Operations Deduction Amount is an amount equal to: (i) for the Bond Year ending December 1, 2017, \$0; (ii) for each of the Bond Years ending December 1, 2018, December 1, 2019, and December 1, 2020, \$50,000; (iii) for the Bond Year ending December 1, 2021, \$135,000; and (iv) for each Bond Year thereafter, the dollar amount for the prior year plus 1.00%. The District's current debt service schedule is attached.

The District has no capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

Surplus Fund

With the issuance of the Series 2017 Bonds, an initial deposit was made into a Surplus Fund. Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$700,000. Amounts on deposit in the Surplus Fund, if any, on the maturity date of the Bonds will be applied to the payment of the Bonds.

This information is an integral part of the accompanying budget.

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

\$4,000,000

Series 2017 Limited Property Tax and Public Improvement Fee Revenue Bonds

Dated December 19, 2017

Interest Rate 4.5% - 5.0%

Interest Payable June 1 and December 1

Principal Due December 1

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2019	\$ 25,000		\$ 196,100		\$ 221,100
2020	30,000		194,975		224,975
2021	50,000		193,625		243,625
2022	55,000		191,375		246,375
2023	55,000		188,900		243,900
2024	65,000		186,425		251,425
2025	70,000		183,500		253,500
2026	75,000		180,350		255,350
2027	80,000		176,975		256,975
2028	85,000		173,375		258,375
2029	90,000		169,550		259,550
2030	100,000		165,500		265,500
2031	105,000		161,000		266,000
2032	115,000		155,750		270,750
2033	120,000		150,000		270,000
2034	130,000		144,000		274,000
2035	140,000		137,500		277,500
2036	150,000		130,500		280,500
2037	160,000		123,000		283,000
2038	170,000		115,000		285,000
2039	180,000		106,500		286,500
2040	195,000		97,500		292,500
2041	205,000		87,750		292,750
2042	220,000		77,500		297,500
2043	235,000		66,500		301,500
2044	250,000		54,750		304,750
2045	265,000		42,250		307,250
2046	280,000		29,000		309,000
2047	300,000		15,000		315,000
	<u>\$ 4,000,000</u>		<u>\$ 3,894,150</u>		<u>\$ 7,894,150</u>

This supplementary 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 INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS,
(governing body)^B

of the INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 17,037,320 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: \$ 17,037,320 (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: 12/07/2018 for budget/fiscal year 2019.
(no later than Dec. 15) (mm/dd/yyyy) (yyy)

<u>PURPOSE</u> (see end notes for definitions and examples)	<u>LEVY</u> ²	<u>REVENUE</u> ²
1. General Operating Expenses ^H	1.000 mills	\$ 17,037
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	1.000 mills	\$ 17,037
3. General Obligation Bonds and Interest ^J	5.000 mills	\$ 85,187
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	0.308 mills	\$ 5,247
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	6.308 mills	\$ 107,471

Contact person: Carrie Bartow Daytime phone: (719) 635-0330
(print)
Signed: *Carrie J. Bartow* Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).