

LETTER OF BUDGET TRANSMITTAL

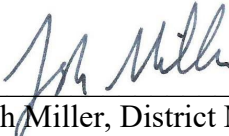
Date: January 31, 2023

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

Attached are the 2023 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 11, 2022. If there are any questions on the budget, please contact:

Josh Miller, District Manager
c/o CliftonLarsonAllen LLP
121 S. Tejon Street, Suite 1100
Colorado Springs, CO 80903
Telephone number: 303-779-5710

I, Josh Miller, District Manager of the Interquest South Business Improvement District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: 

Josh Miller, District Manager

RESOLUTION
TO ADOPT 2023 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 2023 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, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

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 11, 2022 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 \$ 27,318; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ 0.000; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 136,594; 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 \$ 0.000; 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 \$ 0.000; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$ 0.000; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 27,318,720; and

WHEREAS, at an election held on 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 2023.

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 2023 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 2023 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 2022.

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 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 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 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of n/a mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 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 n/a mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

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 2022.

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, 2022, 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, 2022 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 11th day of November 2022.

INTERQUEST SOUTH BUSINESS
IMPROVEMENT DISTRICT

DocuSigned by:
Stacie Tucker
1DBA9D0FCF47463...

President

ATTEST:

DocuSigned by:
Bethany Fitzgerald
A180615786534D3...

Secretary

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

**INTERQUEST SOUTH BUSINESS
IMPROVEMENT DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 462,687 | \$ 812,563 | \$ 384,236 |
| REVENUES | | | |
| Property taxes | 137,132 | 156,333 | 163,912 |
| Specific Ownership Tax | 16,251 | 15,702 | 16,391 |
| Interest Income | 272 | 3,125 | 3,500 |
| Public improvement Fees | 205,422 | 226,431 | 275,000 |
| Developer Advance | 444,770 | 56,370 | - |
| Total revenues | <u>803,847</u> | <u>457,961</u> | <u>458,803</u> |
| TRANSFERS IN | <u>51,730</u> | <u>95,859</u> | <u>135,000</u> |
| Total funds available | <u>1,318,264</u> | <u>1,366,383</u> | <u>978,039</u> |
| EXPENDITURES | | | |
| General Fund | 105,514 | 118,000 | 161,001 |
| Debt Service Fund | 248,840 | 251,829 | 251,003 |
| Capital Projects Fund | 99,617 | 516,459 | - |
| Total expenditures | <u>453,971</u> | <u>886,288</u> | <u>412,004</u> |
| TRANSFERS OUT | <u>51,730</u> | <u>95,859</u> | <u>135,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>505,701</u> | <u>982,147</u> | <u>547,004</u> |
| ENDING FUND BALANCES | <u>\$ 812,563</u> | <u>\$ 384,236</u> | <u>\$ 431,035</u> |
| EMERGENCY RESERVE | \$ 2,700 | \$ 4,200 | \$ 5,400 |
| AVAILABLE FOR OPERATIONS | (10,854) | 7,203 | 23,711 |
| SURPLUS FUND - up to \$700,000 | 313,893 | 372,833 | 401,924 |
| TOTAL RESERVE | <u>\$ 305,739</u> | <u>\$ 384,236</u> | <u>\$ 431,035</u> |

No assurance is provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2021 | 2022 | 2023 |

ASSESSED VALUATION

| | | | |
|--------------------------|---------------|---------------|---------------|
| Commercial | \$ 17,871,410 | \$ 21,053,400 | \$ 22,184,590 |
| Industrial | 3,453,350 | 3,494,820 | 3,494,820 |
| State assessed | 4,610 | 22,940 | 103,340 |
| Vacant land | 1,735,240 | 1,484,320 | 1,535,970 |
| Certified Assessed Value | \$ 23,064,610 | \$ 26,055,480 | \$ 27,318,720 |

MILL LEVY

| | | | |
|-----------------|-------|-------|-------|
| General | 1.000 | 1.000 | 1.000 |
| Debt Service | 5.000 | 5.000 | 5.000 |
| Total mill levy | 6.000 | 6.000 | 6.000 |

PROPERTY TAXES

| | | | |
|--------------------------------|------------|------------|------------|
| General | \$ 23,065 | \$ 26,055 | \$ 27,318 |
| Debt Service | 115,323 | 130,278 | 136,594 |
| Levied property taxes | 138,388 | 156,333 | 163,912 |
| Adjustments to actual/rounding | (1,256) | - | - |
| Budgeted property taxes | \$ 137,132 | \$ 156,333 | \$ 163,912 |

BUDGETED PROPERTY TAXES

| | | | |
|---------------------|-------------------|-------------------|-------------------|
| General | \$ 22,855 | \$ 26,056 | \$ 27,319 |
| Debt Service | 114,277 | 130,278 | 136,593 |
| | \$ 137,132 | \$ 156,333 | \$ 163,912 |

No assurance is provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ (5,028) | \$ (8,154) | \$ 11,403 |
| REVENUES | | | |
| Property taxes | 22,856 | 26,055 | 27,318 |
| Specific ownership tax | 16,251 | 15,702 | 16,391 |
| Interest income | 11 | - | - |
| Developer advance | 15,000 | - | - |
| Total revenues | 54,118 | 41,757 | 43,709 |
| TRANSFERS IN | | | |
| Transfers from Debt Service Fund | 50,000 | 95,800 | 135,000 |
| Total funds available | 99,090 | 129,403 | 190,112 |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 24,357 | 32,000 | 34,500 |
| Auditing | 3,850 | 4,082 | 4,500 |
| County Treasurer's fee | 343 | 391 | 410 |
| PIF Collection Fees | 6,304 | 10,000 | 11,500 |
| Dues and licenses | 2,108 | 1,225 | 1,500 |
| Insurance and bonds | 1,779 | 2,084 | 2,200 |
| District management | 25,584 | 25,000 | 25,000 |
| Legal services | 14,757 | 7,500 | 10,000 |
| Miscellaneous | 4,464 | 500 | 2,000 |
| Election expense | - | 700 | 3,500 |
| Contingency | - | 1,518 | 2,391 |
| Operations and maintenance | | | |
| Repairs and maintenance | 2,028 | 2,500 | 7,500 |
| Landscaping | 10,609 | 4,000 | 15,000 |
| Miscellaneous - O&M | - | - | 1,500 |
| Snow removal | 1,001 | 2,500 | 12,000 |
| Utilities | 8,330 | 24,000 | 27,500 |
| Total expenditures | 105,514 | 118,000 | 161,001 |
| TRANSFERS OUT | | | |
| Transfers to Capital Projects Fund | 1,730 | - | - |
| Total expenditures and transfers out requiring appropriation | 107,244 | 118,000 | 161,001 |
| ENDING FUND BALANCE | \$ (8,154) | \$ 11,403 | \$ 29,111 |
| EMERGENCY RESERVE | \$ 2,700 | \$ 4,200 | \$ 5,400 |
| AVAILABLE FOR OPERATIONS | (10,854) | 7,203 | 23,711 |
| TOTAL RESERVE | \$ (8,154) | \$ 11,403 | \$ 29,111 |

No assurance is provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCE | \$ 339,621 | \$ 360,694 | \$ 372,833 |
| REVENUES | | | |
| Public improvement fees | 205,422 | 226,431 | 275,000 |
| Property taxes | 114,276 | 130,278 | 136,594 |
| Interest income | 215 | 3,000 | 3,500 |
| Total revenues | <u>319,913</u> | <u>359,709</u> | <u>415,094</u> |
| TRANSFERS IN | | | |
| Transfers from Capital Projects Fund | - | 59 | - |
| Total funds available | <u>659,534</u> | <u>720,462</u> | <u>787,927</u> |
| EXPENDITURES | | | |
| County Treasurer's fee | 1,715 | 1,954 | 2,049 |
| Paying agent fees | 3,500 | 3,500 | 3,500 |
| Contingency | - | - | 1,554 |
| Debt Service | | | |
| Bond interest - Series 2017 | 193,625 | 191,375 | 188,900 |
| Bond principal - Series 2017 | 50,000 | 55,000 | 55,000 |
| Total expenditures | <u>248,840</u> | <u>251,829</u> | <u>251,003</u> |
| TRANSFERS OUT | | | |
| Transfers to General Fund | 50,000 | 95,800 | 135,000 |
| Total expenditures and transfers out requiring appropriation | <u>298,840</u> | <u>347,629</u> | <u>386,003</u> |
| ENDING FUND BALANCE | <u>\$ 360,694</u> | <u>\$ 372,833</u> | <u>\$ 401,924</u> |
| SURPLUS FUND - up to \$700,000 | \$ 313,893 | \$ 372,833 | \$ 401,924 |
| TOTAL RESERVE | <u>\$ 313,893</u> | <u>\$ 372,833</u> | <u>\$ 401,924</u> |

No assurance is provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|-------------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ 128,094 | \$ 460,023 | \$ - |
| REVENUES | | | |
| Interest income | 46 | 125 | - |
| Developer advance | 429,770 | 56,370 | - |
| Total revenues | <u>429,816</u> | <u>56,495</u> | <u>-</u> |
| TRANSFERS IN | | | |
| Transfers from General Fund | <u>1,730</u> | <u>-</u> | <u>-</u> |
| Total funds available | <u>559,640</u> | <u>516,518</u> | <u>-</u> |
| EXPENDITURES | | | |
| General and Administrative | | | |
| Accounting | 199 | - | - |
| Engineering | 230 | - | - |
| Capital Projects | | | |
| Streets | 2,767 | - | - |
| Capital outlay | 96,421 | 516,459 | - |
| Total expenditures | <u>99,617</u> | <u>516,459</u> | <u>-</u> |
| TRANSFERS OUT | | | |
| Transfers to Debt Service Fund | <u>-</u> | <u>59</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>99,617</u> | <u>516,518</u> | <u>-</u> |
| ENDING FUND BALANCE | <u>\$ 460,023</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance is provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2023 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 2005 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
2023 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 1.50%.

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 \$135,000, which is to be transferred in 2023 to the General Fund for operations and maintenance funding. The amount transferred each year will be increased 1% per year.

Developer Advances

Developer advances are to be recorded as revenues for budget purposes and may be repaid to the Developer from unpledged revenue in future years. The District entered into a Reimbursement Agreement for Operations and Capital with the Developer on January 1, 2016. Advances under the agreement bear simple interest at the rate of 8% per annum beginning on the date of advance to the date of repayment.

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.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - (continued)

Debt Service

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

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. Anticipated activity is as follows:

| | Balance - December 31, 2021 | Additions | Retirement/ Reductions | Balance - December 31, 2022* |
|--|-----------------------------------|-------------------|---------------------------|------------------------------------|
| Property Tax and Public Improvement Fee Revenue Bonds - 2017 | \$ 3,895,000 | \$ - | \$ 55,000 | \$ 3,840,000 |
| Developer Advance | | | | |
| Norwood | 16,000 | - | - | 16,000 |
| Accrued Interest - Developer Advances - Norwood | 16,380 | 1,120 | - | 17,500 |
| Developer Advance - COPT | 99,400 | - | - | 99,400 |
| Accrued Interest - Developer Advances - COPT | 74,611 | 6,958 | - | 81,569 |
| Developer Advance - Chalon | 538,770 | 56,370 | - | 595,140 |
| Accrued Interest - Developer Advances - Chalon | 25,445 | 45,557 | - | 71,002 |
| | <u>\$ 4,665,606</u> | <u>\$ 110,005</u> | <u>\$ 55,000</u> | <u>\$ 4,720,611</u> |

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

| | Balance - December 31, 2022* | Additions | Retirement/ Reductions | Balance - December 31, 2023* |
|--|------------------------------------|------------------|---------------------------|------------------------------------|
| Property Tax and Public Improvement Fee Revenue | | | | |
| Bonds - 2017 | \$ 3,840,000 | \$ - | \$ 55,000 | \$ 3,785,000 |
| Developer Advance Norwood | 16,000 | - | - | 16,000 |
| Accrued Interest - Developer Advances - Norwood | 17,500 | 1,120 | - | 18,620 |
| Developer Advance - COPT | 99,400 | - | - | 99,400 |
| Accrued Interest - Developer Advances - COPT | 81,569 | 6,958 | - | 88,527 |
| Developer Advance - Chalon | 595,140 | - | - | 595,140 |
| Accrued Interest - Developer Advances - Chalon | 71,002 | 47,611 | - | 118,613 |
| | <u>\$ 4,720,611</u> | <u>\$ 55,689</u> | <u>\$ 55,000</u> | <u>\$ 4,721,300</u> |

* Estimate

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> |
|------|---------------------|-----------|------------------|-----------|------------------|
| 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>\$ 3,840,000</u> | <u>\$</u> | <u>3,118,075</u> | <u>\$</u> | <u>6,958,075</u> |

No assurance provided. See 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 \$ 27,318,720 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: \$ 27,318,720 (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: 12/08/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE <small>(see end notes for definitions and examples)</small> | LEVY ² | REVENUE ² |
|--|-------------------|----------------------|
| 1. General Operating Expenses ^H | 1.000 mills | \$ 27,318 |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < > mills | \$ < > |
| SUBTOTAL FOR GENERAL OPERATING: | 1.000 mills | \$ 27,318 |
| 3. General Obligation Bonds and Interest ^J | 5.000 mills | \$ 136,594 |
| 4. Contractual Obligations ^K | _____ mills | \$ _____ |
| 5. Capital Expenditures ^L | _____ mills | \$ _____ |
| 6. Refunds/Abatements ^M | _____ mills | \$ _____ |
| 7. Other ^N (specify): _____ | _____ mills | \$ _____ |
| | _____ mills | \$ _____ |
| TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small> | 6.000 mills | \$ 163,912 |

Contact person: Seef Le Roux 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: | Public Infrastructure |
| | Series: | Limited Property Tax and Public Improvement Fee Revenue Bonds, Series 2017 |
| | Date of Issue: | December 19, 2017 |
| | Coupon Rate: | 4.5%-5.0% |
| | Maturity Date: | December 1, 2047 |
| | Levy: | 5.000 |
| | Revenue: | \$136,594 |
| | | |
| 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.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity*'s boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity*'s mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity*'s total mills upon the *taxing entity*'s *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity*'s mill levy applied against the *taxing entity*'s gross assessed value after subtracting the *taxing entity*'s revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

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:

28, OCTOBER, A.D. 2022.

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

28, OCTOBER, A.D. 2022.

In witness whereof, I have hereunto set my hand this 28th day of October, A.D. 2022.

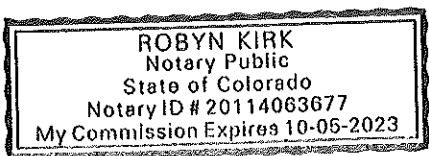
Cathy Reilly

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 28th day of October, A.D. 2022.

Robyn Kirk

Notary Public



NOTICE OF HEARING
ON PROPOSED 2023
BUDGET AND 2022
BUDGET AMENDMENT

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2023 has been submitted to the Interquest South Business Improvement District ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 4:00 p.m. on November 11, 2022 via telephone and videoconference. To attend and participate by telephone, dial (720) 547-5281 and enter conference ID: 406 280 83#. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing online at www.interquestsouthbid.com or by contacting Hannah Phillips by email at Hannah.phillips@claconnect.com or by telephone at (719) 635-0330.

NOTICE IS FURTHER GIVEN that an amendment to the 2022 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 2023 budget and the amended 2022 budget, if required, are available for public inspection at the offices of CliftonLarsonAllen, LLP, located at 121 South Tejon Street Suite 1100, Colorado Springs, Colorado 80903. Any interested elector within the District may, at any time prior to final adoption of the 2023 budget and the amended 2022 budget, if required, file or register any objections thereto.

INTERQUEST SOUTH
BUSINESS IMPROVEMENT
DISTRICT

By: *Isi Stacie Tucker*
President

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