

**INTERQUEST SOUTH BUSINESS
IMPROVEMENT DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/8/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 372,396	\$ 640,326	\$ 841,185
REVENUES			
Property taxes	163,820	216,350	215,740
Specific ownership taxes	17,159	19,656	21,574
Interest income	28,051	29,904	39,304
Reimbursed expenditures	11,114	6,000	6,000
Other revenue	20,327	2,000	2,500
PIF Revenue	410,409	371,436	375,000
Total revenues	<u>650,880</u>	<u>645,346</u>	<u>660,118</u>
TRANSFERS IN	<u>135,000</u>	<u>274,863</u>	<u>140,553</u>
Total funds available	<u>1,158,276</u>	<u>1,560,535</u>	<u>1,641,856</u>
EXPENDITURES			
General Fund	133,501	186,858	220,000
Debt Service Fund	249,449	257,629	265,000
Total expenditures	<u>382,950</u>	<u>444,487</u>	<u>485,000</u>
TRANSFERS OUT	<u>135,000</u>	<u>274,863</u>	<u>140,553</u>
Total expenditures and transfers out requiring appropriation	<u>517,950</u>	<u>719,350</u>	<u>625,553</u>
ENDING FUND BALANCES	<u>\$ 640,326</u>	<u>\$ 841,185</u>	<u>\$ 1,016,303</u>
EMERGENCY RESERVE	\$ 2,300	\$ 2,100	\$ 2,200
RESERVE - REPAIR AND MAINTENANCE AVAILABLE FOR OPERATIONS	-	100,000	150,000
SURPLUS FUND (MAX - \$700,000)	68,202	125,021	65,734
TOTAL RESERVE	<u>\$ 640,263</u>	<u>\$ 841,118</u>	<u>\$ 917,934</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/8/25

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Commercial	\$ 22,184,590	\$ 30,443,470	\$ 30,359,400
Industrial	3,494,820	4,372,520	4,372,520
State assessed	103,340	32,830	15,200
Vacant land	1,535,970	1,209,500	1,209,500
Certified Assessed Value	\$ 27,318,720	\$ 36,058,320	\$ 35,956,620

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	\$ 27,319	\$ 36,058	\$ 35,957
Debt Service	136,594	180,292	179,783
Levied property taxes	163,913	216,350	215,740
Adjustments to actual/rounding	100	527	-
Refunds and abatements	(193)	(527)	-
Budgeted property taxes	\$ 163,820	\$ 216,350	\$ 215,740

BUDGETED PROPERTY TAXES

General	\$ 27,303	\$ 36,058	\$ 35,957
Debt Service	\$ 136,517	180,292	179,783
	\$ 163,820	\$ 216,350	\$ 215,740

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/8/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (6,932)	\$ 70,502	\$ 227,121
REVENUES			
Property taxes	27,303	36,058	35,957
Specific ownership taxes	17,159	19,656	21,574
Interest income	32	4,900	4,300
Reimbursed expenditures	11,114	6,000	6,000
Other revenue	20,327	2,000	2,500
Total revenues	<u>75,935</u>	<u>68,614</u>	<u>70,331</u>
TRANSFERS IN			
Transfers from other funds	<u>135,000</u>	<u>274,863</u>	<u>140,482</u>
Total funds available	<u>204,003</u>	<u>413,979</u>	<u>437,934</u>
EXPENDITURES			
General and administrative			
Accounting	33,305	30,000	34,500
Auditing	4,550	5,000	5,250
County Treasurer's Fee	410	542	539
Dues and membership	2,158	2,072	2,500
Insurance	2,136	2,194	2,500
District management	39,947	25,000	31,500
Legal	9,502	10,000	10,500
Miscellaneous	1,746	2,000	2,000
Banking fees	-	50	200
PIF Collection Fees	10,380	8,000	12,800
Election	691	-	3,000
Repay developer advance	-	60,000	60,000
Contingency	-	-	6,211
Operations and maintenance			
Landscaping	15,536	15,000	18,000
Repairs and maintenance	1,308	3,500	5,000
Snow removal	1,622	10,000	12,000
Utilities	10,210	12,000	12,000
Miscellaneous	-	1,500	1,500
Total expenditures	<u>133,501</u>	<u>186,858</u>	<u>220,000</u>
Total expenditures and transfers out requiring appropriation	<u>133,501</u>	<u>186,858</u>	<u>220,000</u>
ENDING FUND BALANCES	<u>\$ 70,502</u>	<u>\$ 227,121</u>	<u>\$ 217,934</u>
EMERGENCY RESERVE	\$ 2,300	\$ 2,100	\$ 2,200
RESERVE - REPAIR AND MAINTENANCE	-	100,000	150,000
AVAILABLE FOR OPERATIONS	68,202	125,021	65,734
TOTAL RESERVE	<u>\$ 70,502</u>	<u>\$ 227,121</u>	<u>\$ 217,934</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/8/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 379,269	\$ 569,761	\$ 613,997
REVENUES			
Property taxes	136,517	180,292	179,783
PIF Revenue	410,409	371,436	375,000
Interest income	28,015	25,000	35,000
Total revenues	<u>574,941</u>	<u>576,728</u>	<u>589,783</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>71</u>
Total funds available	<u>954,210</u>	<u>1,146,489</u>	<u>1,203,851</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2,049	2,704	2,697
Paying agent fees	3,500	3,500	3,500
Contingency	-	-	5,303
Debt Service			
Bond interest - Series 2017	188,900	186,425	183,500
Bond principal - Series 2017	55,000	65,000	70,000
Total expenditures	<u>249,449</u>	<u>257,629</u>	<u>265,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>135,000</u>	<u>274,863</u>	<u>140,482</u>
Total expenditures and transfers out requiring appropriation	<u>384,449</u>	<u>532,492</u>	<u>405,482</u>
ENDING FUND BALANCES	<u>\$ 569,761</u>	<u>\$ 613,997</u>	<u>\$ 798,369</u>
SURPLUS FUND (MAX - \$700,000)	<u>\$ 569,761</u>	<u>\$ 613,997</u>	<u>\$ 700,000</u>
TOTAL RESERVE	<u>\$ 569,761</u>	<u>\$ 613,997</u>	<u>\$ 700,000</u>

No assurance provided. See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/8/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 59	\$ 63	\$ 67
REVENUES			
Interest income	4	4	4
Total revenues	<u>4</u>	<u>4</u>	<u>4</u>
Total funds available	<u>63</u>	<u>67</u>	<u>71</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>71</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>71</u>
ENDING FUND BALANCES	<u>\$ 63</u>	<u>\$ 67</u>	<u>\$ -</u>

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Interquest South Business Improvement District (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 District is required to impose a maximum Required Mill Levy of 6.000 mills for collection in 2025. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up and deficiencies in the Reserve Fund].

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes - Continued

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.

For property tax collection year 2025, SB22-238, SB 23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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 4.0%.

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 \$140,482, which is to be transferred in 2025 to the General Fund for operations and maintenance funding. The amount transferred each year will be increased 1% per year.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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).

Debt and Leases

Series 2017 Bonds

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.

Developer Advances

The District entered into a Reimbursement Agreement (Agreements) for Operations and Capital with the Developer on January 1, 2016. The District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advance were made to the date of repayment. The Agreements does not constitute a multiple-fiscal year obligation.

The District has no operating leases.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Developer Advances (continued)

The District has no capital or operating leases. Anticipated activity is as follows:

	Balance - December 31, 2023	Additions	Retirements	Balance - December 31, 2024*
Property Tax and Public Improvement Fee Revenue				
Bonds - 2017	\$ 3,785,000	\$ -	\$ 65,000	\$ 3,720,000
Developer Advance - Norwood	16,000	-	-	16,000
Accrued Interest - Developer Advances - Norwood	18,620	1,120	-	19,740
Developer Advance				-
Developer Advance - COPT	99,400	-	-	99,400
Accrued Interest - Developer Advances - COPT	88,527	6,958	-	95,485
Developer Advance - Chalon	595,140	-	60,000	535,140
Accrued Interest - Developer Advances - Chalon	118,612	45,211	-	163,823
	<u>\$ 4,721,299</u>	<u>\$ 53,289</u>	<u>\$ 125,000</u>	<u>\$ 4,649,588</u>
	Balance - December 31, 2024*	Additions	Retirements	Balance - December 31, 2025*
Property Tax and Public Improvement Fee Revenue				
Bonds - 2017	\$ 3,720,000	\$ -	\$ 70,000	\$ 3,650,000
Developer Advance - Norwood	16,000	-	-	16,000
Accrued Interest - Developer Advances - Norwood	19,740	1,120	-	20,860
Developer Advance				-
Developer Advance - COPT	99,400	-	-	99,400
Accrued Interest - Developer Advances - COPT	95,485	6,958	-	102,443
Developer Advance - Chalon	535,140	-	60,000	475,140
Accrued Interest - Developer Advances - Chalon	163,823	40,411	-	204,234
	<u>\$ 4,649,588</u>	<u>\$ 48,489</u>	<u>\$ 130,000</u>	<u>\$ 4,568,077</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.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves - (continued)

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>
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>\$ 3,720,000</u>	\$	<u>2,742,750</u>	\$	<u>6,462,750</u>

No assurance provided. See summary of significant assumptions.