

**INTERQUEST SOUTH BUSINESS
IMPROVEMENT DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 640,326	\$ 901,231	\$ 1,124,796
REVENUES			
Property taxes	215,892	215,740	240,661
Specific ownership taxes	20,312	20,522	22,863
Interest Income	43,985	44,000	40,000
Reimbursed expenditures	6,294	6,000	6,000
Other Revenue	1,014	-	-
PIF Revenue	408,831	385,000	385,000
Total revenues	<u>696,328</u>	<u>671,262</u>	<u>694,524</u>
TRANSFERS IN	<u>274,863</u>	<u>140,547</u>	<u>141,887</u>
Total funds available	<u>1,611,517</u>	<u>1,713,040</u>	<u>1,961,207</u>
EXPENDITURES			
General Fund	177,775	188,000	220,000
Debt Service Fund	257,648	259,697	265,000
Total expenditures	<u>435,423</u>	<u>447,697</u>	<u>485,000</u>
TRANSFERS OUT	<u>274,863</u>	<u>140,547</u>	<u>141,887</u>
Total expenditures and transfers out requiring appropriation	<u>710,286</u>	<u>588,244</u>	<u>626,887</u>
ENDING FUND BALANCES	<u>\$ 901,231</u>	<u>\$ 1,124,796</u>	<u>\$ 1,334,320</u>
EMERGENCY RESERVE	\$ 2,100	\$ 2,200	\$ 2,400
RESERVE - REPAIR AND MAINTENANCE AVAILABLE FOR OPERATIONS	100,000	150,000	200,000
SURPLUS FUND (MAX - \$700,00)	134,513	108,374	59,034
TOTAL RESERVE	<u>\$ 613,997</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>
	<u>\$ 850,610</u>	<u>\$ 960,574</u>	<u>\$ 961,434</u>

See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/5/25

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Commercial	30,443,470	30,359,400	35,316,290
Industrial	4,372,520	4,372,520	3,523,750
State assessed	32,830	15,200	28,500
Vacant land	1,209,500	1,209,500	1,241,640
Certified Assessed Value	\$ 36,058,320	\$ 35,956,620	\$ 40,110,180

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	\$ 36,058	\$ 35,957	\$ 40,110
Debt Service	180,292	179,783	200,551
Levied property taxes	216,350	215,740	240,661
Adjustments to actual/rounding	-	-	-
Refunds and abatements	(458)	-	-
Budgeted property taxes	\$ 215,892	\$ 215,740	\$ 240,661

BUDGETED PROPERTY TAXES

General	\$ 35,982	\$ 35,957	\$ 40,110
Debt Service	179,910	179,783	200,551
	\$ 215,892	\$ 215,740	\$ 240,661

See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 70,502	\$ 236,613	\$ 260,574
REVENUES			
Property taxes	35,982	35,957	40,110
Specific ownership taxes	20,312	20,522	22,863
Interest Income	5,421	9,000	10,000
Reimbursed expenditures	6,294	6,000	6,000
Other Revenue	1,014	-	-
Total revenues	69,023	71,479	78,973
TRANSFERS IN			
Transfers from other funds	274,863	140,482	141,887
Total funds available	414,388	448,574	481,434
EXPENDITURES			
General and administrative			
Accounting	31,824	34,500	36,000
Auditing	5,000	5,500	6,500
County Treasurer's Fee	544	539	602
Dues and Membership	2,760	759	1,500
Insurance	2,194	2,101	2,500
District management	25,314	25,000	30,000
Legal	17,046	6,000	10,000
Miscellaneous	2,299	1,892	3,500
Banking fees	155	500	500
PIF Collection Fees	12,526	12,800	13,000
Election	372	3,000	-
Repay developer advance	60,000	60,000	60,000
Contingency	-	2,409	8,398
Operations and maintenance			
Repairs and maintenance	150	5,000	5,500
Landscaping	10,809	12,000	18,000
Snow removal	975	10,000	12,000
Utilities	5,807	6,000	12,000
Total expenditures	177,775	188,000	220,000
Total expenditures and transfers out requiring appropriation	177,775	188,000	220,000
ENDING FUND BALANCES	\$ 236,613	\$ 260,574	\$ 261,434
EMERGENCY RESERVE	\$ 2,100	\$ 2,200	\$ 2,400
RESERVE - REPAIR AND MAINTENANCE AVAILABLE FOR OPERATIONS	100,000	150,000	200,000
TOTAL RESERVE	\$ 236,613	\$ 260,574	\$ 261,434

See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 569,761	\$ 664,553	\$ 864,222
REVENUES			
Property taxes	179,910	179,783	200,551
PIF Revenue	408,831	385,000	385,000
Interest Income	38,562	35,000	30,000
Total revenues	<u>627,303</u>	<u>599,783</u>	<u>615,551</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>65</u>	<u>-</u>
Total funds available	<u>1,197,064</u>	<u>1,264,401</u>	<u>1,479,773</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2,723	2,697	3,008
Paying agent fees	3,500	3,500	3,500
Contingency	-	-	3,142
Debt Service			
Bond interest - Series 2017	186,425	183,500	180,350
Bond principal - Series 2017	65,000	70,000	75,000
Total expenditures	<u>257,648</u>	<u>259,697</u>	<u>265,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>274,863</u>	<u>140,482</u>	<u>141,887</u>
Total expenditures and transfers out requiring appropriation	<u>532,511</u>	<u>400,179</u>	<u>406,887</u>
ENDING FUND BALANCES	<u>\$ 664,553</u>	<u>\$ 864,222</u>	<u>\$ 1,072,886</u>
SURPLUS FUND (MAX - \$700,00)	<u>\$ 613,997</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>
TOTAL RESERVE	<u>\$ 613,997</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>

See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 63	\$ 65	\$ -
REVENUES			
Interest Income	2	-	-
Total revenues	2	-	-
Total funds available	65	65	-
TRANSFERS OUT			
Transfers to other fund	-	65	-
Total expenditures and transfers out requiring appropriation	-	65	-
ENDING FUND BALANCES	\$ 65	\$ -	\$ -

See summary of significant assumptions.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2026 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.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2026 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 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		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 9.5% 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 \$141,887, which is to be transferred in 2026 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
2026 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 with Development Management, Inc. on December 31, 2006 (7.0% interest rate); a Reimbursement Agreement with COPT Interquest, LLC on March 5, 2008 (7% interest rate); a Facilities Funding and Reimbursement Agreement with Chalon Properties, Inc., on January 1, 2016 (8% interest rate); and a Reimbursement Agreement with Chalon Properties, Inc., on January 1, 2016 (8% interest rate). The Agreements do not constitute a multiple-fiscal year obligation.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Developer Advances (continued)

The District has no operating leases.

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

	Balance - December 31, 2024	Additions	Retirements	Balance - December 31, 2025*
Developer Advance - Norw ood	\$ 16,000	\$ -	\$ -	\$ 16,000
Accrued Interest - Developer Advances - Norw ood	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	165,357	40,411	-	205,768
	<u>\$ 931,122</u>	<u>\$ 48,489</u>	<u>\$ 60,000</u>	<u>\$ 919,611</u>
	Balance - December 31, 2025*	Additions	Retirements	Balance - December 31, 2026*
Developer Advance - Norw ood	16,000	-	-	16,000
Accrued Interest - Developer Advances - Norw ood	20,860	1,120	-	21,980
Developer Advance				-
Developer Advance - COPT	99,400	-	-	99,400
Accrued Interest - Developer Advances - COPT	102,443	6,958	-	109,401
Developer Advance - Chalon	475,140	-	60,000	415,140
Accrued Interest - Developer Advances - Chalon	205,768	35,611	-	241,379
	<u>\$ 919,611</u>	<u>\$ 43,689</u>	<u>\$ 60,000</u>	<u>\$ 903,300</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.

**INTERQUEST SOUTH BUSINESS IMPROVEMENT DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves - (continued)

Surplus Fund (continued)

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>
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>\$ 3,650,000</u>	\$	<u>2,559,250</u>	\$	<u>6,209,250</u>

See summary of significant assumptions.