



CliftonLarsonAllen

Accountant's Compilation Report

CliftonLarsonAllen LLP
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Board of Directors
First & Main North Business Improvement District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of First & Main North Business Improvement District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, 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 First & Main North Business Improvement District.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
December 13, 2019



An independent member of Nexia International

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 5,899	\$ 6,581	\$ 6,961
REVENUE			
Property Taxes	202,715	201,627	206,223
Specific Ownership Tax	25,614	23,481	22,685
Interest Income	2,004	2,465	126
Developer Advance	-	2,118	7,000
Total revenue	<u>230,333</u>	<u>229,691</u>	<u>236,034</u>
TRANSFERS IN	<u>45,000</u>	<u>50,000</u>	<u>50,000</u>
Total funds available	<u>281,232</u>	<u>286,272</u>	<u>292,995</u>
EXPENDITURES			
General Fund	33,528	28,204	33,000
Debt Service Fund	151,123	151,107	152,000
Capital Projects Fund	45,000	50,000	50,000
Total expenditures	<u>229,651</u>	<u>229,311</u>	<u>235,000</u>
TRANSFERS OUT	<u>45,000</u>	<u>50,000</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>274,651</u>	<u>279,311</u>	<u>285,000</u>
ENDING FUND BALANCES	<u>\$ 6,581</u>	<u>\$ 6,961</u>	<u>\$ 7,995</u>
EMERGENCY RESERVE	\$ 900	\$ 900	\$ 900
AVAILABLE FOR OPERATIONS	(1,388)	-	748
TOTAL RESERVE	<u>\$ (488)</u>	<u>\$ 900</u>	<u>\$ 1,648</u>

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

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/19

ACTUAL	ESTIMATED	BUDGET
2018	2019	2020

ASSESSED VALUATION

Commercial	\$ 3,974,810	\$ 3,953,480	\$ 4,043,580
Certified Assessed Value	\$ 3,974,810	\$ 3,953,480	\$ 4,043,580

MILL LEVY

General	1.000	1.000	1.000
Debt Service	50.000	50.000	50.000
Total mill levy	51.000	51.000	51.000

PROPERTY TAXES

General	\$ 3,975	\$ 3,953	\$ 4,044
Debt Service	198,740	197,674	202,179
Budgeted property taxes	\$ 202,715	\$ 201,627	\$ 206,223

BUDGETED PROPERTY TAXES

General	\$ 3,975	\$ 3,953	\$ 4,044
Debt Service	198,740	197,674	202,179
	\$ 202,715	\$ 201,627	\$ 206,223

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

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 3,428	\$ (488)	\$ 900
REVENUE			
Property Taxes	3,975	3,953	4,044
Specific Ownership Tax	25,614	23,481	22,685
Interest Income	23	40	19
Developer Advance	-	2,118	7,000
Total revenue	<u>29,612</u>	<u>29,592</u>	<u>33,748</u>
Total funds available	<u>33,040</u>	<u>29,104</u>	<u>34,648</u>
EXPENDITURES			
General and administrative			
Accounting	17,996	14,200	16,000
Audit	3,050	3,100	3,150
County Treasurer's Fee	60	60	67
Dues and Membership	270	282	295
Insurance and Bonds	1,812	1,832	1,850
District Management	3,654	3,400	3,500
Legal	5,250	4,750	5,000
Miscellaneous	492	580	600
Election Expense	944	-	1,000
Contingency	-	-	1,538
Total expenditures	<u>33,528</u>	<u>28,204</u>	<u>33,000</u>
Total expenditures and transfers out requiring appropriation	<u>33,528</u>	<u>28,204</u>	<u>33,000</u>
ENDING FUND BALANCE	<u>\$ (488)</u>	<u>\$ 900</u>	<u>\$ 1,648</u>
EMERGENCY RESERVE	\$ 900	\$ 900	\$ 900
AVAILABLE FOR OPERATIONS	(1,388)	-	748
TOTAL RESERVE	<u>\$ (488)</u>	<u>\$ 900</u>	<u>\$ 1,648</u>

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

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 2,471	\$ 7,069	\$ 6,061
REVENUE			
Property Taxes	198,740	197,674	202,179
Interest Income	1,981	2,425	107
Total revenue	<u>200,721</u>	<u>200,099</u>	<u>202,286</u>
Total funds available	<u>203,192</u>	<u>207,168</u>	<u>208,347</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2,981	2,965	3,033
Contingency	-	-	914
Debt Service			
Bond Interest	95,511	92,353	89,005
Bond Principal	52,631	55,789	59,048
Total expenditures	<u>151,123</u>	<u>151,107</u>	<u>152,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>45,000</u>	<u>50,000</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>196,123</u>	<u>201,107</u>	<u>202,000</u>
ENDING FUND BALANCE	<u>\$ 7,069</u>	<u>\$ 6,061</u>	<u>\$ 6,347</u>

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

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Total revenue	-	-	-
TRANSFERS IN			
Transfers from other fund	45,000	50,000	50,000
Total funds available	45,000	50,000	50,000
EXPENDITURES			
Capital Projects			
Repay developer advance	45,000	50,000	50,000
Total expenditures	45,000	50,000	50,000
Total expenditures and transfers out requiring appropriation	45,000	50,000	50,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2020 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, landscaping, water and storm sewer. 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 April 27, 2004.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$2,100,000 for street improvements, \$2,000,000 for parking facilities and \$5,000,000 for refinancing of District debt. On November 1, 2005, the District authorized additional indebtedness of \$225,000 for water and \$50,000 for storm drainage. The voters also approved an annual increase in taxes of \$9,154, 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. The Series 2005 Bond Resolution limits the mill levy to pay those bonds to 44.000 mills in 2005 and 2006, 39.000 mills for the years 2007 through 2015, and 34.000 mills for the years 2016 through 2034. On November 29, 2017, the District's Board of Directors approved keeping the mill levy at 50.000 mills until further notice. As set forth in the District's 2004 operating plan, the City has limited the amount of debt to be issued to a total of \$2,200,000 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.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (Continued)

Specific Ownership Tax

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 11% 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 1.5%.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer

Expenditures

Administrative and Operating 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.

County Treasurer's Fees

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

Debt Service

Principal and interest payments in 2020 are provided based on the debt amortization schedule from the Series 2005 General Obligation Bonds.

Developer Advances

In 2016, the District accepted infrastructure improvements from the Developer. The District anticipates repayment of the advances for these improvements in 2020.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On March 25, 2005 the District issued \$1,927,000 in General Obligation Limited Tax Bonds dated March 30, 2005 for infrastructure improvements. The bonds bear interest at a rate of 6.00%. Bond interest and principal payments are payable annually on July 1. Any accrued and unpaid interest will compound on July 1 of each year. The bonds are payable as funds are available from property taxes over 30 years with final maturity on March 30, 2035.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

This information is an integral part of the accompanying budget.

**FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$1,927,000 General Obligation Bonds

Series 2005

Dated March 30, 2005

Principal and interest due July 1

Interest Rate 6.0% Payable

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2020	\$ 59,048	\$ 89,005	\$ 148,053
2021	62,590	85,463	148,053
2022	66,252	81,707	147,959
2023	70,227	77,732	147,959
2024	74,347	73,518	147,865
2025	78,807	69,058	147,865
2026	83,438	64,329	147,767
2027	88,444	59,323	147,767
2028	93,647	54,016	147,663
2029	99,266	48,397	147,663
2030	105,122	42,441	147,563
2031	111,429	36,134	147,563
2032	118,015	29,448	147,463
2033	125,095	22,368	147,463
2034	132,491	14,862	147,353
2035	115,206	4,877	120,083
	\$ 1,483,424	\$ 852,678	\$ 2,336,102

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