

**RESOLUTION  
TO ADOPT 2018 BUDGET AND APPROPRIATE SUMS OF MONEY  
SW DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SW DOWNTOWN BUSINESS IMPROVEMENT DISTRICT, CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2018, AND ENDING ON THE LAST DAY OF DECEMBER, 2018,

WHEREAS, the Board of Directors of the SW Downtown 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 December 14, 2017, 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.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SW DOWNTOWN BUSINESS IMPROVEMENT DISTRICT OF THE CITY OF COLORADO SPRINGS, 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 SW Downtown Business Improvement District for calendar year 2018.

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. 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.

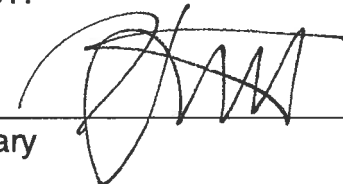
Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 14th day of December, 2017.

SW DOWNTOWN BUSINESS  
IMPROVEMENT DISTRICT

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAconnect.com

Board of Directors  
SW Downtown Business Improvement District  
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of SW Downtown Business Improvement District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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 SW Downtown Business Improvement District.

Colorado Springs, Colorado  
January 29, 2018



An independent member of Nexia International

**SW DOWNTOWN BUSINESS IMPROVEMENT DISTRICT  
GENERAL FUND  
2018 BUDGET AS ADOPTED  
WITH 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	-	-	50,000
Total revenues	-	-	50,000
Total funds available	-	-	50,000
EXPENDITURES			
General and administration			
2 Accounting	-	-	2,500
3 Contingency	-	-	16,500
4 District management	-	-	1,500
5 Election	-	-	5,000
6 Insurance	-	-	2,500
7 Legal	-	-	10,000
8 Miscellaneous	-	-	2,000
Operations and maintenance			
9 Engineering	-	-	10,000
Total expenditures	-	-	50,000
Total expenditures and transfers out requiring appropriation	-	-	50,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**SW DOWNTOWN BUSINESS IMPROVEMENT DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

1/29/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
ASSESSED VALUATION - EL PASO			
Certified Assessed Value	\$ -	\$ -	\$ -
MILL LEVY		0.000	0.000
PROPERTY TAXES			
Budgeted Property Taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES	\$ -	\$ -	\$ -

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

**SW DOWNTOWN BUSINESS IMPROVEMENT DISTRICT  
2018 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 water services, safety protection devices, sanitation services, street improvements, curbs, gutters, culverts, drainage facilities, sidewalks, parking facilities, paving, lighting, grading, landscaping, and storm and wastewater management facilities and associated land acquisition and remediation.. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado (the "City").

The District was organized by Ordinance of the City on October 12, 2017.

At an election held on November 7, 2017, the voters approved general indebtedness of \$440,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water supply, sanitary sewer, traffic and safety controls, parks and recreation, mosquito control, television relay and translation, public transportation, security services, and fire protection/medical emergency services. The election authorized indebtedness of \$440,000,000 each for operations and maintenance, reimbursement agreements, and debt refunding. The voters also approved an annual increase in taxes of up to \$5,000,000 at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's operations, maintenance, and other expenses. 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 mill levy is 50 mills, and the maximum operating mill levy for the payment of operating and maintenance expenses is 10 mills. The maximum debt authorization for the District is \$105,000,000.

The District has no employees and all administrative functions are contractual.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**Revenues**

**Developer Advances**

Since the District is in the development stage, operational expenditures are anticipated to be funded by the Developer. 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 with the Developer on December 14, 2017. Advances under the agreement bear simple interest at the rate of 6% per annum beginning on the date of advance to the date of repayment.

**Expenditures**

**Administrative Expenditures**

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, landscape maintenance, and other administrative expenses.

**SW DOWNTOWN BUSINESS IMPROVEMENT DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District has no debt, nor does it have 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 2018, as defined under TABOR.

**This information is an integral part of the accompanying budget.**