



## SCHILLING & COMPANY, INC.

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### Accountant's Compilation Report

Board of Directors  
Colfax Business Improvement District  
Denver County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances (budget) of Colfax Business Improvement District (District), for the year ending December 31, 2023, including the estimate of comparative information for the year ending December 31, 2022, and the actual comparative information for the year ending December 31, 2021, in the accompanying prescribed format. 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 included in the accompanying prescribed format 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 actual comparative information for the year ending December 31, 2021 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the audited financial statements of the District for the year ended December 31, 2021. Dazzio & Associates, PC audited the financial statements for the year ended December 31, 2021, whose report was dated March 3, 2022.

The budget included in the accompanying prescribed format is presented in accordance with the requirements of Colorado Revised Statutes 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 Colfax Business Improvement District.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
September 26, 2022

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

	<u>ACTUAL 2021</u>	<u>ESTIMATED 2022</u>	<u>ADOPTED BUDGET 2023</u>
Assessed Valuation			
Denver County	\$ 89,041,810	\$ 89,149,040	\$ 87,425,280 (A)
Mill Levy			
General Fund	10.000	10.000	10.000
Refunds and abatements	0.305	0.064	0.139
Total mill levy	<u>10.305</u>	<u>10.064</u>	<u>10.139</u>
Anticipated Tax Revenue			
Denver County	\$ 917,576	\$ 897,196	\$ 886,405
Adjustments to actual/uncollected	(7,031)	-	-
Actual or budgeted property taxes	<u>\$ 910,545</u>	<u>\$ 897,196</u>	<u>\$ 886,405</u>

(A) City approved budget with preliminary assessed valuation of \$87,425,280 however, final mill levy certification of the District reflects the final assessed valuation of the District.

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

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

	<b>ACTUAL 2021</b>	<b>ESTIMATED 2022</b>	<b>ADOPTED BUDGET 2023</b>
<b>Beginning Funds Available</b>	<b>\$ 988,094</b>	<b>\$ 1,207,064</b>	<b>\$ 755,174</b>
<b>Revenue</b>			
Property Taxes (Base mill levy of 7.846)	714,432	704,299	695,473
Property Taxes (Additional levy of 2.154)	196,113	192,897	190,932
Specific Ownership Taxes	50,138	47,726	53,184
Interest Income	1,716	7,892	10,000
Rent reimbursement	-	6,401	-
Hearts revenue	1,471	-	-
Colfax Works - DHS/HOST	25,000	-	-
Bag of Colfax sales/ merchandising	22,987	180	3,000
Insurance Proceeds	11,967	-	-
Other	993	14,326	1,500
<b>Total Revenue</b>	<b>1,024,817</b>	<b>973,721</b>	<b>954,089</b>
<b>Expenditures</b>			
<b>Administrative:</b>			
District management	19,539	21,320	25,200
District management - special	-	15,754	6,700
Insurance	15,867	17,198	20,694
Audit	4,700	4,900	5,200
Accounting	13,762	17,260	18,380
Legal fees	5,489	6,364	6,000
Office supplies	2,489	7,546	4,000
Printing and reproduction	123	400	400
Postage and delivery	214	524	524
Rent/storage unit	20,971	30,967	30,648
Telephone/internet/utilities	2,450	2,100	2,600
Dues and subscriptions	3,121	4,093	4,000
Software subscriptions	-	-	10,220
Meetings/entertainment	2,297	2,484	2,500
Website maintenance/hosting	2,018	2,632	2,000
Treasurer's fees	9,682	9,201	13,296
Miscellaneous	3,525	2,408	1,500
<b>Total administrative</b>	<b>106,247</b>	<b>145,151</b>	<b>153,862</b>

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

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

	<b>ACTUAL 2021</b>	<b>ESTIMATED 2022</b>	<b>ADOPTED BUDGET 2023</b>
<b>People</b>			
Compensation and benefits	232,157	248,315	252,852
Payroll taxes / pension match	22,753	22,959	27,551
Professional development	2,538	2,400	5,000
Contingency	-	13,773	10,237
<b>Total People</b>	<b>257,448</b>	<b>287,447</b>	<b>295,640</b>
<b>Maintenance:</b>			
Asset Management:			
General maintenance	97,413	298,434	315,000
Streetscape maintenance	10,074	83,296	35,741
Banner maintenance/ installation	2,640	5,500	-
Utilities	15,521	20,736	21,773
Pedestrian pole maintenance	61,030	48,758	43,794
Miscellaneous - repairs/supplies	480	-	-
Holiday lighting	4,811	2,600	2,400
Trash receptacle maintenance	26,642	2,453	5,000
Total Asset Management	<b>218,611</b>	<b>461,777</b>	<b>423,708</b>
Colfax Works:			
Contract	87,024	-	-
Equipment	92	-	-
Truck - gas	25	-	-
Truck - maintenance	511	-	-
Meal expenses	50	-	-
Contingency	-	-	5,000
Total Colfax Works	<b>87,702</b>	<b>-</b>	<b>5,000</b>
<b>Total Maintenance</b>	<b>306,313</b>	<b>461,777</b>	<b>428,708</b>

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

	<u>ACTUAL 2021</u>	<u>ESTIMATED 2022</u>	<u>ADOPTED BUDGET 2023</u>
<b>Programs</b>			
Safety:			
Program activities	-	48,000	48,000
CPTED Funding	5,025	-	-
Signage	2,320	-	-
Contingency	4,000	-	-
Total Safety	<u>11,345</u>	<u>48,000</u>	<u>48,000</u>
Streetscape:			
Streetscape design	2,875	-	-
Accessibility	-	88,096	230,000
Placemaking	-	45,000	45,000
Streetscape imprmnts/Wayfinding	41,430	249,343	-
Land use	350	5,000	20,000
Contingency	-	20,000	-
Total Streetscape	<u>44,655</u>	<u>407,439</u>	<u>295,000</u>
Business Support:			
Community events/meetings	11,550	-	-
Total Business Support	<u>11,550</u>	<u>-</u>	<u>-</u>
<b>Total Programs</b>	<u>67,550</u>	<u>455,439</u>	<u>343,000</u>
<b>Communications</b>			
Brand/Audience:			
Administrative	2,596	-	-
Advertising	949	2,000	10,000
District promotion	14,197	10,000	10,743
Donations	5,169	2,000	2,000
Merchandise	3,579	4,000	4,000
Contingency	3,241	-	-

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

	<b>ACTUAL 2021</b>	<b>ESTIMATED 2022</b>	<b>ADOPTED BUDGET 2023</b>
Businesss Support:			
Bag of Colfax	-	3,000	3,000
Networking Events	-	1,500	1,000
Welcome kit	-	500	-
Community Events:			
Community events/meetings	7,297	7,000	7,500
Events consultant	10,000	13,000	15,000
Storytelling/Art:			
Characters of Colfax	7	1,200	3,000
Banners/ murals/ power box art	21,254	31,597	23,500
<b>Total Communications</b>	<b>68,289</b>	<b>75,797</b>	<b>79,743</b>
<b>Total Expenditures requiring appropriation</b>	<b>805,847</b>	<b>1,425,611</b>	<b>1,300,953</b>
<b>Net Change in Funds Available</b>	<b>218,970</b>	<b>(451,890)</b>	<b>(346,864)</b>
<b>Ending Funds Available</b>	<b>\$ 1,207,064</b>	<b>\$ 755,174</b>	<b>\$ 408,310</b>
<b>Emergency Reserves</b>	<b>\$ 30,745</b>	<b>\$ 29,212</b>	<b>\$ 28,623</b>

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

**COLFAX BUSINESS IMPROVEMENT DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2023 annual budget. Actual results may differ from the prospective results contained in the budget.

**SERVICES PROVIDED**

Colfax Business Improvement District (the District), a quasi-municipal corporation was organized by ordinance of the City and County of Denver (the City) in 1989 and is governed pursuant to the provision of the Colorado Business Improvement Act (Title 31). The District's service area is located within the boundaries of the City and County of Denver in the general area of East 16<sup>th</sup> Avenue on the north, East 14<sup>th</sup> Avenue on the south, the alley east of Josephine Street on the east and Grant Street (south of Colfax Avenue) and the alley between Sherman Street and Grant Street (north of Colfax Avenue) on the west. The District was organized for the purpose of designing, constructing and installing public improvements; maintenance of improvements, management development activities, organization, promotion, marketing, and management of public events, security for businesses and public areas located within the District, snow removal and refuse collection.

The Mayor of the City and County of Denver has the authority to appoint members to the District's Board of Directors. The District is also required to submit its annual budget to the City for approval. In both instances, the City is able to impose its will on the District. Consequently, the District is considered to be a component unit of the City and County of Denver.

On November 7, 2000 a majority of the District's voters passed a ballot question that authorizes the District to collect, retain and spend all revenues and other funds received from any source, including the District's existing general operating property tax rate of 7.846 mills, which rate shall not be increased without voter approval, commencing January 1, 2000 and continuing thereafter until repealed as a voter-approved revenue change, without limitation under Article X, Section 20 of the Colorado Constitution or any other law and as a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.

On November 7, 2017 a majority of the District's voters passed a ballot question that authorizes the District to increase taxes by \$219,000 in the first full fiscal year annually commencing in 2021, and by such a greater or lesser amount thereafter from an additional ad valorem property tax mill levy not to exceed 3.154 mills to be used for construction and maintenance of facilities. When added to the District's base mill levy of 7.846 which would be a total maximum mill of 11.000.

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

## **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 Assessor 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 30 or 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 and December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes are estimated based on the mill levy adopted applied to the annual assessed valuation. The calculation of the taxes levied is displayed on page 2.

### *Specific Ownership Taxes*

Specific ownership taxes are 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 the District's share will be equal to approximately 6% of the property taxes collected.

## **EXPENDITURES**

### *Administrative and Operating Expenses*

District expenditures are forecasted based on prior years' amounts expended adjusted for known variations. The District has budgeted inflationary increases for 2023.

### *Capital Outlay*

The District is anticipating incurring \$295,000 for streetscape design and improvements.

## **DEBT AND LEASES**

On November 7, 2017, a majority of the District's voters passed a ballot question that allows the District to issue debt in the amount of \$2,500,000 with a repayment cost of \$5,000,000 to be used for construction of public improvements. The District has not budgeted for the debt to be issued in 2023.

## **RESERVES**

The District will provide for an emergency reserve fund to at least 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.