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Accountant's Compilation Report

Board of Directors
Powers & Woodmen Commercial Business Improvement District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Powers & Woodmen Commercial 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 Powers & Woodmen Commercial Business Improvement District.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
December 13, 2019



An independent member of Nexia International

**POWERS & WOODMEN COMMERCIAL 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	\$ 553,440	\$ 714,648	\$ 895,140
REVENUES			
Property Taxes	311,494	324,364	344,447
Specific Ownership Tax	39,359	37,800	37,889
Interest Income	16,347	21,760	14,799
Total revenues	<u>367,200</u>	<u>383,924</u>	<u>397,135</u>
Total funds available	<u>920,640</u>	<u>1,098,572</u>	<u>1,292,275</u>
EXPENDITURES			
General Fund	26,992	26,804	32,000
Debt Service Fund	179,000	176,628	1,025,000
Total expenditures	<u>205,992</u>	<u>203,432</u>	<u>1,057,000</u>
Total expenditures and transfers out requiring appropriation	<u>205,992</u>	<u>203,432</u>	<u>1,057,000</u>
ENDING FUND BALANCES	<u>\$ 714,648</u>	<u>\$ 895,140</u>	<u>\$ 235,275</u>
EMERGENCY RESERVE	\$ 1,600	\$ 1,600	\$ 1,600
AVAILABLE FOR OPERATIONS	36,986	61,217	81,571
TOTAL RESERVE	<u>\$ 38,586</u>	<u>\$ 62,817</u>	<u>\$ 83,171</u>

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

POWERS & WOODMEN COMMERCIAL 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 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Commercial	\$ 11,619,380	\$ 11,532,820	\$ 11,785,370
Agricultural	740	270	270
State assessed	2,660	2,700	1,900
Vacant land	357,830	939,740	1,460,440
Certified Assessed Value	<u>\$ 11,980,610</u>	<u>\$ 12,475,530</u>	<u>\$ 13,247,980</u>
MILL LEVY			
General	1.000	1.000	1.000
Debt Service	25.000	25.000	25.000
Total mill levy	<u>26.000</u>	<u>26.000</u>	<u>26.000</u>
PROPERTY TAXES			
General	\$ 11,981	\$ 12,475	\$ 13,247
Debt Service	299,515	311,888	331,200
Levied property taxes	311,496	324,363	344,447
Adjustments to actual/rounding	(2)	1	-
Budgeted property taxes	<u>\$ 311,494</u>	<u>\$ 324,364</u>	<u>\$ 344,447</u>
BUDGETED PROPERTY TAXES			
General	\$ 11,980	\$ 12,475	\$ 13,247
Debt Service	299,514	311,889	331,200
	<u>\$ 311,494</u>	<u>\$ 324,364</u>	<u>\$ 344,447</u>

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

**POWERS & WOODMEN COMMERCIAL 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	\$ 13,835	\$ 38,586	\$ 62,817
REVENUES			
Property Taxes	11,980	12,475	13,247
Specific Ownership Tax	39,359	37,800	37,889
Interest Income	404	760	1,218
Total revenues	<u>51,743</u>	<u>51,035</u>	<u>52,354</u>
Total funds available	<u>65,578</u>	<u>89,621</u>	<u>115,171</u>
EXPENDITURES			
General and administrative			
Accounting	13,062	15,000	15,000
Auditing	2,150	2,200	2,250
County Treasurer's Fee	180	187	199
Dues and Licenses	278	285	300
Insurance and Bonds	2,009	2,182	2,400
District Management	3,530	3,500	3,500
Legal	4,517	3,000	5,000
Miscellaneous	430	450	500
Election Expense	836	-	1,000
Contingency	-	-	1,851
Total expenditures	<u>26,992</u>	<u>26,804</u>	<u>32,000</u>
Total expenditures and transfers out requiring appropriation	<u>26,992</u>	<u>26,804</u>	<u>32,000</u>
ENDING FUND BALANCE	<u>\$ 38,586</u>	<u>\$ 62,817</u>	<u>\$ 83,171</u>
EMERGENCY RESERVE	\$ 1,600	\$ 1,600	\$ 1,600
AVAILABLE FOR OPERATIONS	<u>36,986</u>	<u>61,217</u>	<u>81,571</u>
TOTAL RESERVE	<u>\$ 38,586</u>	<u>\$ 62,817</u>	<u>\$ 83,171</u>

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

**POWERS & WOODMEN COMMERCIAL 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	\$ 539,605	\$ 676,062	\$ 832,323
REVENUES			
Property Taxes	299,514	311,889	331,200
Interest Income	15,943	21,000	13,581
Total revenues	<u>315,457</u>	<u>332,889</u>	<u>344,781</u>
Total funds available	<u>855,062</u>	<u>1,008,951</u>	<u>1,177,104</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	4,500	4,678	4,968
Contingency	-	-	5,632
Debt Service			
Repay Developer Advance	-	-	840,000
Bond Interest	144,500	141,950	139,400
Bond Principal	30,000	30,000	35,000
Total expenditures	<u>179,000</u>	<u>176,628</u>	<u>1,025,000</u>
Total expenditures and transfers out requiring appropriation	<u>179,000</u>	<u>176,628</u>	<u>1,025,000</u>
ENDING FUND BALANCE	<u>\$ 676,062</u>	<u>\$ 832,323</u>	<u>\$ 152,104</u>

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

**POWERS & WOODMEN COMMERCIAL 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 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 April 27, 2004.

At an election held on May 4, 2004, the voters approved general obligation indebtedness of \$9,000,000 for street improvements, \$12,000,000 for parking facilities, \$125,000 for water main extension, and \$25,000,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$2,500,000 for water and sanitary sewer. The voters also approved an annual increase in taxes of \$78,000, 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 2004 operating plan, the City has limited the amount of debt to be issued to a total of \$13,900,000 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.

**POWERS & WOODMEN COMMERCIAL 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%.

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 General Obligation Bonds, Series 2010.

Debt and Leases

On April 1, 2010, the District issued \$1,850,000 in Limited Tax General Obligation Bonds. The Bonds are due December 1, 2039, and bear interest at a rate of 8.5%. Bond interest and principal payments are payable annually on December 1. The bonds are subject to redemption prior to maturity, at the option of the District, on or after December 1, 2012, without redemption premium. The proceeds from the Bonds were used to pay the costs of providing certain public improvements for the District.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$1,850,000 Limited Tax General Obligation Bonds

Series 2010

Dated April 1, 2010

Principal and interest due December 1

Interest Rate 8.5% Payable

Year Ended December 31,	Principal	Interest	Annual Debt Service
2020	\$ 35,000	\$ 139,400	\$ 174,400
2021	35,000	136,425	171,425
2022	40,000	133,450	173,450
2023	45,000	130,050	175,050
2024	50,000	126,225	176,225
2025	50,000	121,975	171,975
2026	55,000	117,725	172,725
2027	60,000	113,050	173,050
2028	65,000	107,950	172,950
2029	70,000	102,425	172,425
2030	75,000	96,475	171,475
2031	85,000	90,100	175,100
2032	90,000	82,875	172,875
2033	100,000	75,225	175,225
2034	105,000	66,725	171,725
2035	115,000	57,800	172,800
2036	125,000	48,025	173,025
2037	135,000	37,400	172,400
2038	145,000	25,925	170,925
2039	160,000	13,600	173,600
	<u>\$ 1,640,000</u>	<u>\$ 1,822,825</u>	<u>\$ 3,462,825</u>

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