



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Barnes & Powers South Business Improvement District

Management is responsible for the accompanying budget of revenues expenditures and fund balances of Barnes & Powers South 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 Barnes & Powers South Business Improvement District.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
December 16, 2019



An independent member of Nexia International

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/16/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 98,046	\$ 108,002	\$ 117,294
REVENUES			
Property Taxes	92,135	93,130	67,050
Specific Ownership Tax	11,642	10,800	7,376
Interest Income	2,983	3,487	1,800
Other Revenue	-	-	2,000
Total revenues	<u>106,760</u>	<u>107,417</u>	<u>78,226</u>
Total funds available	<u>204,806</u>	<u>215,419</u>	<u>195,520</u>
EXPENDITURES			
General Fund	16,038	15,270	13,846
Debt Service Fund	80,766	82,855	82,000
Total expenditures	<u>96,804</u>	<u>98,125</u>	<u>95,846</u>
Total expenditures and transfers out requiring appropriation	<u>96,804</u>	<u>98,125</u>	<u>95,846</u>
ENDING FUND BALANCES	<u>\$ 108,002</u>	<u>\$ 117,294</u>	<u>\$ 99,674</u>

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

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

12/16/19

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
----------------	-------------------	----------------

ASSESSED VALUATION

Commercial	\$ 4,387,360	\$ 4,434,760	\$ 4,470,010
Certified Assessed Value	<u>\$ 4,387,360</u>	<u>\$ 4,434,760</u>	<u>\$ 4,470,010</u>

MILL LEVY

General	1.000	1.000	1.000
Debt Service	20.000	20.000	14.000
Total mill levy	<u>21.000</u>	<u>21.000</u>	<u>15.000</u>

PROPERTY TAXES

General	\$ 4,387	\$ 4,435	\$ 4,470
Debt Service	87,747	88,694	62,580
Levied property taxes	<u>92,134</u>	<u>93,129</u>	<u>67,050</u>
Adjustments to actual/rounding	1	1	-
Budgeted property taxes	<u>\$ 92,135</u>	<u>\$ 93,130</u>	<u>\$ 67,050</u>

BUDGETED PROPERTY TAXES

General	\$ 4,386	\$ 4,433	\$ 4,470
Debt Service	87,749	88,697	62,580
	<u>\$ 92,135</u>	<u>\$ 93,130</u>	<u>\$ 67,050</u>

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

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

12/16/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	4,386	4,433	4,470
Specific Ownership Tax	11,642	10,800	7,376
Interest Income	10	37	-
Other Revenue	-	-	2,000
Total revenues	<u>16,038</u>	<u>15,270</u>	<u>13,846</u>
Total funds available	<u>16,038</u>	<u>15,270</u>	<u>13,846</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	66	67	67
Contingency	-	-	2,000
Intergovernmental Expenditures	15,972	15,203	11,779
Total expenditures	<u>16,038</u>	<u>15,270</u>	<u>13,846</u>
Total expenditures and transfers out requiring appropriation	<u>16,038</u>	<u>15,270</u>	<u>13,846</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

12/16/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 98,046	\$ 108,002	\$ 117,294
REVENUES			
Property Taxes	87,749	88,697	62,580
Interest Income	2,973	3,450	1,800
Total revenues	<u>90,722</u>	<u>92,147</u>	<u>64,380</u>
Total funds available	<u>188,768</u>	<u>200,149</u>	<u>181,674</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	1,316	1,330	939
Contingency	-	-	2,786
Debt Service			
Bond Interest	34,450	31,525	28,275
Bond Principal	45,000	50,000	50,000
Total expenditures	<u>80,766</u>	<u>82,855</u>	<u>82,000</u>
Total expenditures and transfers out requiring appropriation	<u>80,766</u>	<u>82,855</u>	<u>82,000</u>
ENDING FUND BALANCE	<u>\$ 108,002</u>	<u>\$ 117,294</u>	<u>\$ 99,674</u>

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

**BARNES & POWERS SOUTH 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 \$3,000,000 for street improvements, \$2,500,000 for parking facilities, and \$6,500,000 for refinancing of District debt. On November 1, 2005, the District's electors authorized additional indebtedness of \$400,000 for water and \$125,000 for sanitary sewer and storm drainage. The voters also approved an annual increase in taxes of \$11,000, 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 \$2,200,000 in the authorized voted categories, without future approval by the City.

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 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.

**BARNES & POWERS SOUTH 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 1.50%.

Expenditures

County Treasurer's Fees

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

Intergovernmental expenditures

Pursuant to an Intergovernmental Agreement, dated November 30, 2011, with Barnes and Powers North Business Improvement District, the intergovernmental expenditures represent transfers to Barnes and Powers North to provide funding for the overall administrative and operating costs, as well as capital infrastructure costs for the District.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2007 Bonds (discussed under Debt and Leases).

Debt and Leases

On June 27, 2007, the District issued \$835,000 in General Obligation Bonds. The Bonds are due December 1, 2026, and bear an interest rate of 6.5% paid semiannually on June 1 and December 1. At the option of the District on any date, the bonds are subject to redemption prior to maturity without redemption premium. The proceeds from the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs. The District's current debt service schedule is attached.

The District has no capital or operating leases.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Barnes and Powers North Business Improvement District, which pays for all of the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget. It is accounted for in Barnes and Powers North Business Improvement District.

This information is an integral part of the accompanying budget.

**BARNES & POWERS SOUTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$835,000 General Obligation Bonds
Dated June 27, 2007
Interest Rate 6.5%**

Principal Due December 1

<u>Year Ended December 31,</u>	<u>Interest Payable June 1 and December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 50,000	\$ 28,275	\$ 78,275
2021	55,000	25,025	80,025
2022	60,000	21,450	81,450
2023	60,000	17,550	77,550
2024	65,000	13,650	78,650
2025	70,000	9,425	79,425
2026	75,000	4,875	79,875
	<u>\$ 435,000</u>	<u>\$ 120,250</u>	<u>\$ 555,250</u>

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