

2017 OPERATING PLAN AND BUDGET

**POWERS &
WOODMEN
COMMERCIAL
BUSINESS
IMPROVEMENT
DISTRICT**

City of Colorado Springs, El Paso County, Colorado

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**2017
OPERATING PLAN FOR THE
POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT**

1. PURPOSE AND SCOPE OF THIS DISTRICT

A. *Requirement for this Operating Plan.*

The Business Improvement District Act, specifically Section 31-25-1211, C.R.S., requires that the Powers & Woodmen Commercial Business Improvement District (the “District”) file an operating plan and budget with the City Clerk no later than September 30 of each year.

Under the statute, the City is to approve the operating plan and budget within 30 days of the submittal of all required information.

The District operates under the authorities and powers allowed under the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, as further described and limited by this Operating Plan.

B. *What Must Be Included in the Operating Plan?*

Pursuant to the provisions of the Business Improvement District Act, Section 31-25-1201, et seq., Colorado Revised Statutes, as amended, this Operating Plan specifically identifies (1) the composition of the Board of Directors, (2) the services and improvements to be provided by the District, (3) the taxes, fees, and assessments to be imposed by the District, (4) the estimated principal amount of the bonds to be issued by the District, and (5) such other information as the City may require.

The District’s original 2005, and subsequent Operating Plans, previously approved by the City, are incorporated herein by reference, and shall remain in full force and effect except as specifically or necessarily modified hereby.

C. *Purposes.*

As may be further articulated in prior years’ Operating Plans, the ongoing and/or contemplated purposes of this District for 2017 include 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 consistent with prior years’ activities.

D. *Ownership of Property or Major Assets.*

The District does not own or expect to own any fee simple property or major physical assets, particularly within the 2017 budget year.

E. *Contracts and Agreement.*

The District is not currently a party to any significant active contracts or agreements.

2. ORGANIZATION AND COMPOSITION OF THE BOARD OF DIRECTORS

A. Organization.

The Powers & Woodmen Commercial Business Improvement District was organized by the City of Colorado Springs, Colorado by Ordinance No. 04-52 on April 27, 2004.

B. Governance.

The District is governed by an elected board of directors.

C. Current Board.

The persons who currently serve as the Board of Directors are:

Ralph A. Braden, President
Christopher S. Jenkins, Vice-President
David D. Jenkins, Secretary
Frederick A. Veitch, Treasurer
Delroy L. Johnson, Assistant Secretary

Director and other pertinent contact information are provided in **Exhibit A.**

D. Term Limits.

The District held a Director election in May, 2012, at which time a ballot question was presented to eliminate term limits pursuant to Article 18, Section 11 of the Colorado Constitution. The ballot question passed eliminating term limits.

E. Advisory Board.

The Board of Directors may appoint one or more advisory boards to assist the Board of Directors on such matters as the Board of Directors desires assistance. The Board of Directors shall, upon the appointment of an advisory board, set forth its duties, duration, and membership. The Board of Directors may provide rules of procedure for the advisory board or may delegate to the advisory board the authority to provide such rules. No advisory boards have yet been appointed to date.

3. BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District map is depicted in **EXHIBIT C.** The District does not anticipate inclusion or exclusion requests in the coming year.

4. PUBLIC IMPROVEMENTS

The District does not presently anticipate funding the design, installation, or acquisition of additional public improvements during 2017. If the District acts to fund additional improvements during calendar year 2017, an amendment to this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

The District does not anticipate the construction or acquisition of any public improvements in 2017.

5. ADMINISTRATION, OPERATIONS, SERVICES AND MAINTENANCE

No changes to the improvements and services to be furnished by the District as listed in all of the previous Operating Plans are proposed for 2017. Therefore, all of the previous Operating Plans, including all limitations found in Section 3 Description of Public Improvements and Services, Section 4 Administration, Operation and Maintenance, Section 5 Financial Plan and Budget (with the exceptions noted below and the budget which is attached hereto as **EXHIBIT B**) are unchanged and incorporated herein by reference.

(a) 2005 Election.

The District held an election in November, 2005 for the purpose of authorizing debt for water and sanitation purposes to allow the District to shift funds from one category of improvements to others, but the total authorized debt shall not be increased without the consent of City Council.

Previously, the second paragraph of Section 3.3 of the prior operating plan, on the advice of the District's special tax counsel, was modified to read as follows:

All improvements furnished by the District shall be located on land that is owned in fee, by a perpetual easement, or by a lease with a term longer than the term of the District's tax exempt bonds, in the name of the District, the City, or the State of Colorado.

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

6. FINANCIAL PLAN AND BUDGET

1. 2017 Budget.

The 2017 Budget for the District is attached as **EXHIBIT B**.

2. Authorized Indebtedness.

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 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 regarding to the limitations contained in Article X, Section 20 of the Colorado constitution. Pursuant to the District's Operating Plan filed annual 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.

3. Property Tax and Mill Levy Caps.

The mill levy limitations in the Original Operating Plan (being 50 mills for debt service and one (1) mill for general operations and administrative expenses) remain unchanged.

- 4. District Revenues.**
See 2017 budget attached hereto as **EXHIBIT B**.
- 5. Existing Debt Obligations.**
The District issued limited tax general obligation bonds in 2010 in the principal amount of \$1,850,000 (the "2010 Bonds"). As required by the District's 2009 Operating Plan, the issuance of the 2010 bonds was approved by Resolution No. 3-10 of the City Council.
- 6. Future Debt Obligations.**
In accordance with the City's Special District Policy this District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the district as previously approved. The standards for City approval shall generally be consistency with the City's Special District Policy as it may be amended along with the most recently approved operating plan and budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District.
- 7. Other Financial Obligations.**
No other financial obligations of the District are anticipated in the coming year.
- 8. City Charter Limitations.**
In accordance with 7-100 of the City Charter, the District shall not issue any debt instrument for any purpose other than construction of capital improvements with a public purpose necessary for development. As set forth in 7-100 of the City Charter, the total debt of any proposed District shall not exceed 10 percent of the total assessed valuation of the taxable property within the District unless approved by at least a two-thirds vote of the entire City Council.
- 9. Non-Default Provisions.**
Limited tax general obligation bonds issued by the District shall be structured and/or credit enhancements provided such that the bonds cannot default as long as the District is imposing the required maximum allowed mill levy.
- 10. Privately Placed Debt.**
Prior to the issuance of any privately placed debt for capital related costs, the District shall obtain the certification of an External Financial Advisor regarding the fairness and feasibility of the interest rate and the structure of the debt.
- 11.** The debt of the District will not constitute a debt or obligation of the City in any manner. The faith and credit of the City will not be pledged for the repayment of the debt of the District. This will be clearly stated on all offering circulars, prospectus, or disclosure statements associated with any securities issued by the District

7. MUNICIPAL OVERSIGHT OF DISTRICT ACTIVITIES

(a) Audit.

The District agrees to submit an annual audit to the City Finance Department no later than March 1st of each year which is performed by an independent certified public accounting firm. Even if the state grants an audit exemption, the District must submit an annual audit as specified above.

(b) SID Formation.

The District affirms that it will provide an Amended Operating Plan and seek prior approval of City Council prior to formation of any Special Improvement District within its boundaries in the future.

(c) City Authorization Prior to Debt Issuance.

In accordance with the City's Special District Policy, and notwithstanding any statements of intent in the Budget and Operating Plan, this District shall request and obtain approval of City Council prior to issuance of any debt in accordance with the financing plan for the District as previously approved. The standards for City approval shall generally be consistency with the City's Special District Policy as it may be amended along with the most recently approved operating plan and budget and any requirements or limitations contained therein to the extent that they are consistent with the financing plans for the District.

(d) Public Improvement Fees.

This District will not utilize any revenues from a new, increased or expanded public improvement fee (PIF) unless specifically authorized in a subsequent operating plan and budget, or separately approved by City Council. The imposition of a PIF and any provisions for adjustment of a PIF that have been previously approved by City Council shall not be subject to this restriction.

(e) Condemnation.

The Colorado Revised Statutes do not authorize BIDs to use powers of eminent domain. The exercise of eminent domain authority by any City-authorized district is also specifically prohibited without express prior City Council approval.

8. 2017 ACTIVITIES, PROJECTS AND CHANGES

1. Activities.

The District does not anticipate activity for commercial development in 2017, and has no specific plan at this time.

2. Projects and Public Improvements.

The District does not presently anticipate funding the design, installation or acquisition of additional public improvements during 2017. If the District acts to fund additional improvements during calendar year 2017, an amendment to this Operating Plan will be sought in accordance with the provisions of Section 31-25-1211, C.R.S.

3. Summary of 2017 Activities and Changes from Prior Year.

The District's activities will focus on district administration and payment of its bonds.

Boundary changes: Not anticipated for the upcoming year.

Changes to board or governance structure: Not anticipated for the upcoming year.

Mill levy changes: Mill levies remain the same for the upcoming year in the General and Debt Service Funds. The District will not certify a temporary mill levy for abatements as was done in past years.

New, refinanced or fully discharged debt: Not anticipated for the upcoming year.

Elections: Not anticipated for the upcoming year.

Major changes in development activity or valuation: Not anticipated for the upcoming year.

Ability to meet current financial obligations: See 2017 Budget attached as **EXHIBIT B**.

9. DISSOLUTION

The District may be dissolved under the conditions of Section 31-25-1225, C.R.S. Perpetual existence is not contemplated at this time.

10. CONCLUSION

It is submitted that this Operating Plan and Budget for the District meet the requirements of the Business Improvement District Act and further meets applicable requirements of the Colorado Constitution and other law. It is further submitted that the types of services and improvements to be provided by the District are those services and improvements which satisfy the purposes of Part 12 of Article 25 of Title 31, C.R.S.

EXHIBIT A
Director and Other Contact Information
Powers & Woodmen Commercial Business Improvement District

BOARD OF DIRECTORS:

NAME & ADDRESS	POSITION	TERM(S)	PHONE #/E-MAIL
Ralph A. Braden Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	President	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 rbraden@nor-wood.com
Christopher S. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Vice President	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 chrisjenkins@nor-wood.com
David D. Jenkins Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Secretary	2012-2016; 2016-2020	(w) 719-593-2600 (f) 719-633-0545 ddj@nor-wood.com
Frederick A. Veitch Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Treasurer	2010-2014; 2014-2018	(w) 719-593-2600 (f) 719-633-0545 fveitch@nor-wood.com
Delroy L. Johnson Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903	Assistant Secretary	2013-2014; 2014-2018	(w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com

DISTRICT CONTACT:

DISTRICT MANAGER:

Delroy L. Johnson, Assistant Secretary Nor'wood Development Group 111 South Tejon, Suite 222 Colorado Springs, CO 80903 (w) 719-593-2600 (f) 719-633-0545 djohnson@nor-wood.com	Cynthia Beyer CliftonLarsonAllen LLP 8390 East Crescent Parkway, Suite 600 Greenwood Village, CO 80111 (w) 303-779-5710 (f) 303-779-0348 Cynthia.Beyer@claconnect.com
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ACCOUNTANT:

AUDITOR:

Carrie Bartow, CPA CliftonLarsonAllen LLP 102 South Tejon, Suite 350 Colorado Springs, CO 80903 (w) 719-635-0300 x 77839 (f) 719-473-3630 carrie.bartow@claconnect.com	BiggsKofford, PC 630 Southpointe Court, Suite 200 Colorado Springs, CO 80906 719-579-9090 (f) 719-576-0126
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INSURANCE AND BONDS:

STAFF:

T. Charles Wilson Insurance Service 384 Inverness Parkway Centennial, CO 80112 303-368-5757	N/A
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EXHIBIT B

2017 BID Budget

General Fund

Debt Service Fund

Capital Projects Fund

**(including taxes, fees, assessments and
estimated principal amount of bonds)**



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Powers & Woodmen Commercial Business Improvement District
El Paso County, Colorado

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, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, 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 Powers & Woodmen Commercial Business Improvement District.

Colorado Springs, Colorado
_____, 2016



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PRELIMINARY DRAFT – SUBJECT TO REVISION

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
SUMMARY**

**2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 345,935	\$ 411,663	\$ 416,005	\$ 416,005	\$ 545,249
REVENUES					
1 Property taxes	240,128	301,030	263,768	301,030	270,865
2 Specific ownership taxes	30,927	33,110	13,719	32,926	29,800
3 Net investment income	-	700	1,148	2,288	2,930
Total revenues	<u>271,055</u>	<u>334,840</u>	<u>278,635</u>	<u>336,244</u>	<u>303,595</u>
Total funds available	<u>616,990</u>	<u>746,503</u>	<u>694,640</u>	<u>752,249</u>	<u>848,844</u>
EXPENDITURES					
4 General and administration					
5 Accounting	7,764	10,000	6,637	11,500	11,000
6 Audit	2,000	2,100	2,050	2,050	2,200
7 Contingency	-	1,576	-	716	2,244
8 County Treasurer's fees	151	174	152	174	156
9 District management	2,293	5,000	1,479	5,000	5,000
10 Dues and membership	272	-	-	275	300
11 Election	-	1,000	473	473	-
12 Insurance	1,583	1,650	1,812	1,812	2,100
13 Legal	3,788	4,500	676	4,500	4,500
14 Miscellaneous	474	1,000	490	500	500
15 Miscellaneous interest expense on rebates	30	-	-	-	-
Debt service					
16 Bond interest	150,875	148,750	-	148,750	146,625
17 Bond principal	25,000	25,000	-	25,000	25,000
18 Contingency	-	1,908	-	1,908	1,468
19 County Treasurer's fees	3,786	4,342	3,805	4,342	3,907
20 Misc interest expense - rebates	2,969	-	-	-	-
Total expenditures	<u>200,985</u>	<u>207,000</u>	<u>17,574</u>	<u>207,000</u>	<u>205,000</u>
Total expenditures and transfers out requiring appropriation	<u>200,985</u>	<u>207,000</u>	<u>17,574</u>	<u>207,000</u>	<u>205,000</u>
ENDING FUND BALANCES	\$ 416,005	\$ 539,503	\$ 677,066	\$ 545,249	\$ 643,844
EMERGENCY RESERVE	\$ 1,300	\$ 1,400	\$ 800	\$ 1,400	\$ 1,300
TOTAL RESERVE	\$ 1,300	\$ 1,400	\$ 800	\$ 1,400	\$ 1,300

PRELIMINARY DRAFT - SUBJECT TO REVISION

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
For the Years Ended and Ending December 31,

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
ASSESSED VALUATION - EL PASO					
Commercial	\$ 10,028,700	\$ 9,498,820	\$ 9,498,820	\$ 9,498,820	\$ 9,410,280
Agricultural	860	760	760	760	760
Vacant Land	370,320	667,350	667,350	667,350	871,170
State Assessed	126,410	120,810	120,810	120,810	135,650
Certified Assessed Value	<u>\$ 10,526,290</u>	<u>\$ 10,287,740</u>	<u>\$ 10,287,740</u>	<u>\$ 10,287,740</u>	<u>\$ 10,417,860</u>
MILL LEVY					
GENERAL FUND	1.000	1.000	1.000	1.000	1.000
DEBT SERVICE FUND	25.000	25.000	25.000	25.000	25.000
Temporary mill levy for abatement	-	3.261	3.261	3.261	-
Total Mill Levy	<u>26.000</u>	<u>29.261</u>	<u>29.261</u>	<u>29.261</u>	<u>26.000</u>
PROPERTY TAXES					
GENERAL FUND	\$ 10,526	\$ 10,287	\$ 10,287	\$ 10,287	\$ 10,418
DEBT SERVICE FUND	263,157	257,194	257,194	257,194	260,447
Temporary mill levy for abatement	-	33,548	33,548	33,548	-
Levied property taxes	273,683	301,029	301,029	301,029	270,865
Adjustments to actual/rounding	-	2	(37,261)	1	-
Refund and abatements	(33,555)	-	-	-	-
Budgeted Property Taxes	<u>\$ 240,128</u>	<u>\$ 301,030</u>	<u>\$ 263,768</u>	<u>\$ 301,030</u>	<u>\$ 270,865</u>
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ 9,235	\$ 11,563	\$ 10,132	\$ 11,563	\$ 10,418
DEBT SERVICE FUND	230,893	289,467	253,636	289,467	260,447
	<u>240,128</u>	<u>301,030</u>	<u>263,768</u>	<u>301,030</u>	<u>270,865</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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
2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 57,553	\$ 75,388	\$ 79,360	\$ 79,360	\$ 97,225
REVENUES					
1 Property taxes	9,235	11,563	10,132	11,563	10,418
2 Specific ownership taxes	30,927	33,110	13,719	32,926	29,800
3 Net investment income	-	120	177	377	530
Total revenues	<u>40,162</u>	<u>44,793</u>	<u>24,028</u>	<u>44,865</u>	<u>40,748</u>
Total funds available	<u>97,715</u>	<u>120,181</u>	<u>103,388</u>	<u>124,225</u>	<u>137,973</u>
EXPENDITURES					
General and administration					
4 Accounting	7,764	10,000	6,637	11,500	11,000
5 Audit	2,000	2,100	2,050	2,050	2,200
6 Contingency	-	1,576	-	716	2,244
7 County Treasurer's fees	151	174	152	174	156
8 District management	2,293	5,000	1,479	5,000	5,000
9 Dues and membership	272	-	-	275	300
10 Election	-	1,000	473	473	-
11 Insurance	1,583	1,650	1,812	1,812	2,100
12 Legal	3,788	4,500	676	4,500	4,500
13 Misc interest expense - rebates	30	-	-	-	-
14 Miscellaneous	474	1,000	490	500	500
Total expenditures	<u>18,355</u>	<u>27,000</u>	<u>13,769</u>	<u>27,000</u>	<u>28,000</u>
Total expenditures and transfers out requiring appropriation	<u>18,355</u>	<u>27,000</u>	<u>13,769</u>	<u>27,000</u>	<u>28,000</u>
ENDING FUND BALANCES	<u>\$ 79,360</u>	<u>\$ 93,181</u>	<u>\$ 89,619</u>	<u>\$ 97,225</u>	<u>\$ 109,973</u>
EMERGENCY RESERVE	<u>\$ 1,300</u>	<u>\$ 1,400</u>	<u>\$ 800</u>	<u>\$ 1,400</u>	<u>\$ 1,300</u>
TOTAL RESERVE	<u>\$ 1,300</u>	<u>\$ 1,400</u>	<u>\$ 800</u>	<u>\$ 1,400</u>	<u>\$ 1,300</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION

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
2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ 288,382	\$ 336,275	\$ 336,645	\$ 336,645	\$ 448,024
REVENUES					
1 Property taxes	230,893	289,467	253,636	289,467	260,447
2 Net investment income	-	580	971	1,912	2,400
Total revenues	230,893	290,047	254,607	291,379	262,847
Total funds available	519,275	626,322	591,252	628,024	710,871
EXPENDITURES					
Debt service					
3 Bond interest	150,875	148,750	-	148,750	146,625
4 Bond principal	25,000	25,000	-	25,000	25,000
5 Contingency	-	1,908	-	1,908	1,468
6 County Treasurer's fees	3,786	4,342	3,805	4,342	3,907
7 Misc interest expense - rebates	2,969	-	-	-	-
Total expenditures	182,630	180,000	3,805	180,000	177,000
Total expenditures and transfers out requiring appropriation	182,630	180,000	3,805	180,000	177,000
ENDING FUND BALANCES	\$ 336,645	\$ 446,322	\$ 587,447	\$ 448,024	\$ 533,871

PRELIMINARY DRAFT - SUBJECT TO REVISION

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
CAPITAL PROJECTS FUND
2017 BUDGET AS PROPOSED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,

9/14/2016

	ACTUAL 2015	BUDGET 2016	ACTUAL 6/30/2016	ESTIMATED 2016	PROPOSED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION

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
2017 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.

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 page 3 of the Budget at the adopted mill levy of 26.000.

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.

**POWERS & WOODMEN COMMERCIAL BUSINESS IMPROVEMENT DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.50%.

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 2017 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.

The District has no capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2017, 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
December 31, 2016

\$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
2017	\$ 25,000	\$ 146,625	\$ 171,625
2018	30,000	144,500	174,500
2019	30,000	141,950	171,950
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>\$ 1,725,000</u>	<u>\$ 2,255,900</u>	<u>\$ 3,980,900</u>

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

EXHIBIT C

District Boundary Map

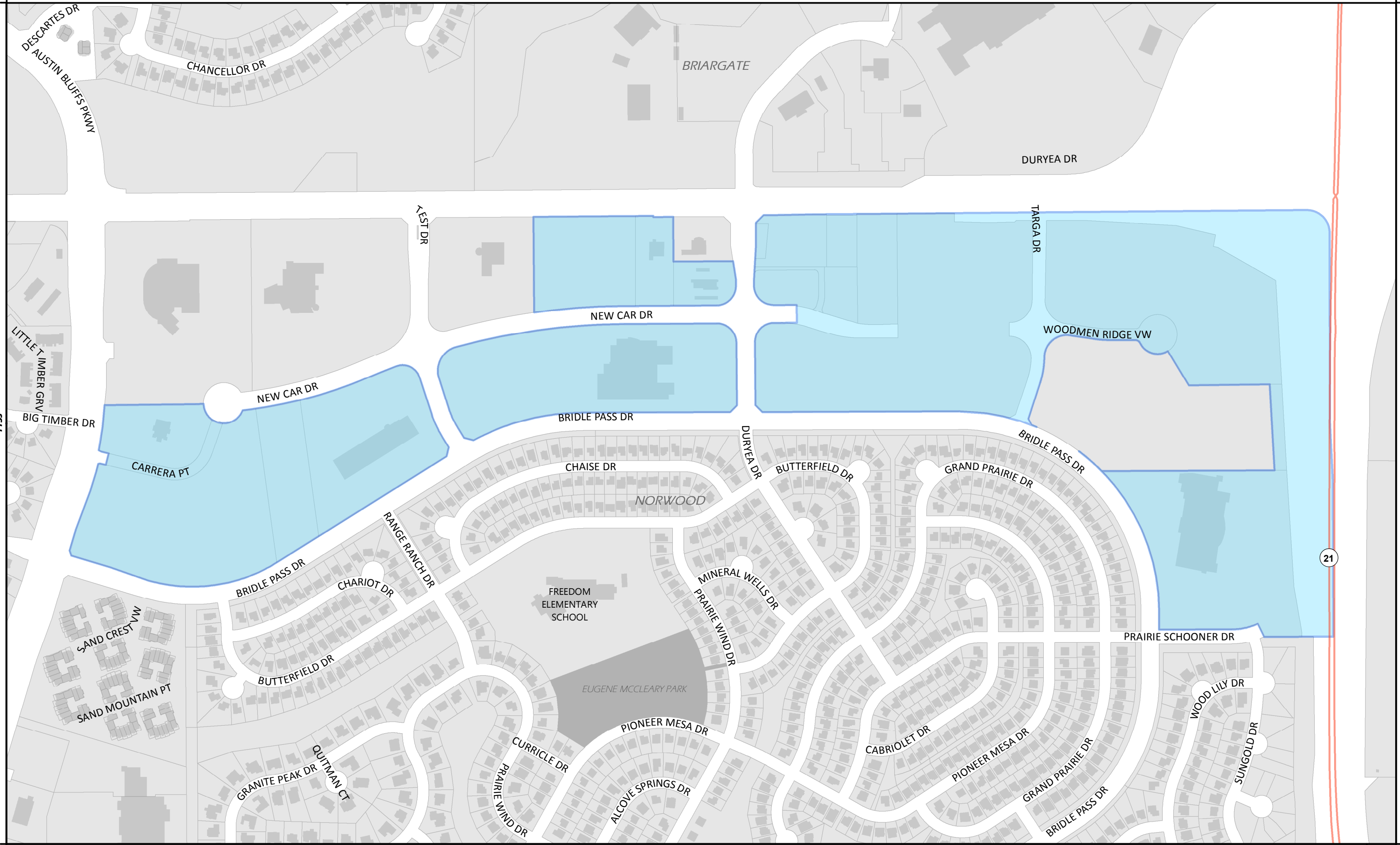
POWERS & WOODMEN COMMERCIAL BID

Tax Boundary

1 inch = 377.66 feet

Created 11/23/2015 EPC Assessor's Office
NAD_1983_StatePlane_Colorado_Central_FIPS_0502_Feet
Projection: Lambert_Conformal_Conic

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