

POWERS METROPOLITAN DISTRICT

ANNUAL REPORT

TO

THE CITY OF COLORADO SPRINGS

FISCAL YEAR ENDING DECEMBER 31, 2021

Pursuant to the Powers Metropolitan District Service Plan, the District is required to provide an annual report to the City of Colorado Springs no later than August 1st of each year following May 9, 2008, the year in which the District was organized. Such annual report shall include information concerning the following matters:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreement either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation which involves any of the District's Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District financial statements for the year ending December 31 of the previous year prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of noncompliance by the District under any Debt instrument, which continue beyond a 90-day period.
11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

For the year ending December 31, 2021, the District makes the following report.

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

The District approved an amendment that modifies Exhibit C-2 of the Service Plan to add additional property as Future Inclusion Areas, approved December 14, 2021.

2. Intergovernmental Agreement either entered into or proposed as of December 31 of the prior year.

None.

3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.

None.

4. A summary of any litigation which involves any of the District's Public Improvements as of December 31 of the prior year.

None.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

The District did not construct any public improvements during 2021.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

None.

7. The assessed valuation of the District for the current year.

The assessed valuation of the District for the 2022 budget year is \$8,887,720.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

See the attached 2022 Budget. At this time, no public improvements will be constructed by the District in 2022

9. Audit of the District financial statements for the year ending December 31 of the previous year prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The District's audit extension for the 2022 budget year is attached as Exhibit B.

10. Notice of any uncured events of noncompliance by the District under any Debt instrument, which continue beyond a 90-day period.

None.

11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.

None.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

Not applicable as no debt was issued in 2021.

EXHIBIT A

2022 Budget Attached

POWERS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**POWERS METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 586,371	\$ 742,938	\$ 982,169
REVENUES			
Property Taxes	372,340	483,697	533,263
Specific Ownership Tax	40,597	55,700	53,326
Interest Income	4,221	405	1,300
Total revenues	<u>417,158</u>	<u>539,802</u>	<u>587,889</u>
Total funds available	<u>1,003,529</u>	<u>1,282,740</u>	<u>1,570,058</u>
EXPENDITURES			
General Fund	85,454	97,362	145,667
Debt Service Fund	175,137	203,209	207,485
Total expenditures	<u>260,591</u>	<u>300,571</u>	<u>353,152</u>
Total expenditures and transfers out requiring appropriation	<u>260,591</u>	<u>300,571</u>	<u>353,152</u>
ENDING FUND BALANCES	<u>\$ 742,938</u>	<u>\$ 982,169</u>	<u>\$ 1,216,906</u>
Emergency Reserve	\$ 3,500	\$ 4,100	\$ 4,300
Reserve Fund	247,569	247,569	247,569
Surplus Fund	311,000	311,000	311,000
TOTAL RESERVE	<u>\$ 562,069</u>	<u>\$ 562,669</u>	<u>\$ 562,869</u>

No assurance provided. See summary of significant assumptions.

**POWERS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Commercial	\$ 5,193,320	\$ 5,896,980	\$ 6,397,070
Vacant Land	2,276,530	2,162,200	2,488,160
State assessed	-	2,440	2,490
Certified Assessed Value	<u>\$ 7,469,850</u>	<u>\$ 8,061,620</u>	<u>\$ 8,887,720</u>
MILL LEVY			
General	10.000	10.000	10.000
Debt Service	40.000	50.000	50.000
Total mill levy	<u>50.000</u>	<u>60.000</u>	<u>60.000</u>
PROPERTY TAXES			
General	\$ 74,699	\$ 80,616	\$ 88,877
Debt Service	298,794	403,081	444,386
Levied property taxes	373,493	483,697	533,263
Adjustments to actual/rounding	(1,153)	-	-
Budgeted property taxes	<u>\$ 372,340</u>	<u>\$ 483,697</u>	<u>\$ 533,263</u>
BUDGETED PROPERTY TAXES			
General	\$ 74,468	\$ 80,616	\$ 88,877
Debt Service	297,872	403,081	444,386
	<u>\$ 372,340</u>	<u>\$ 483,697</u>	<u>\$ 533,263</u>

No assurance provided. See summary of significant assumptions.

**POWERS METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 11,998	\$ 41,705	\$ 80,664
REVENUES			
Interest Income	96	5	100
Property Taxes	74,468	80,616	88,877
Specific Ownership tax	40,597	55,700	53,326
Total revenues	<u>115,161</u>	<u>136,321</u>	<u>142,303</u>
Total funds available	<u>127,159</u>	<u>178,026</u>	<u>222,967</u>
EXPENDITURES			
General and Administrative			
Accounting	14,432	15,000	18,500
Auditing	5,176	5,250	5,500
Contingency	-	-	25,000
County Treasurer's Fee	1,118	1,209	1,333
Dues and Licenses	730	750	1,000
Election Expense	-	-	3,000
Insurance	2,617	2,503	3,000
Legal	11,595	25,000	25,000
Miscellaneous	144	150	334
Operations and Maintenance			
Repairs and maintenance	5,450	500	5,000
Grounds Maintenance	35,987	37,000	40,000
Sprinkler Maintenance	-	-	3,000
Utilities	8,205	10,000	15,000
Total expenditures	<u>85,454</u>	<u>97,362</u>	<u>145,667</u>
Total expenditures and transfers out requiring appropriation	<u>85,454</u>	<u>97,362</u>	<u>145,667</u>
ENDING FUND BALANCE	<u>\$ 41,705</u>	<u>\$ 80,664</u>	<u>\$ 77,300</u>
Emergency Reserve	<u>\$ 3,500</u>	<u>\$ 4,100</u>	<u>\$ 4,300</u>

No assurance provided. See summary of significant assumptions.

**POWERS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 574,373	\$ 701,233	\$ 901,505
REVENUES			
Interest Income	4,125	400	1,200
Property Taxes	297,872	403,081	444,386
Total revenues	<u>301,997</u>	<u>403,481</u>	<u>445,586</u>
Total funds available	<u>876,370</u>	<u>1,104,714</u>	<u>1,347,091</u>
EXPENDITURES			
Bond Interest	167,163	167,163	165,819
Contingency	-	-	-
Bond Principal	-	25,000	30,000
County Treasurer's Fee	4,474	6,046	6,666
Paying Agent Fees	3,500	5,000	5,000
Total expenditures	<u>175,137</u>	<u>203,209</u>	<u>207,485</u>
Total expenditures and transfers out requiring appropriation	<u>175,137</u>	<u>203,209</u>	<u>207,485</u>
ENDING FUND BALANCE	<u>\$ 701,233</u>	<u>\$ 901,505</u>	<u>\$ 1,139,606</u>
Reserve Fund	\$ 247,569	\$ 247,569	\$ 247,569
Surplus Fund	311,000	311,000	311,000
TOTAL RESERVE	<u>\$ 558,569</u>	<u>\$ 558,569</u>	<u>\$ 558,569</u>

No assurance provided. See summary of significant assumptions.

**POWERS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order and decree of the District Court for the County of El Paso on May 20, 2008, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Colorado Springs on February 12, 2008. The District's service area is located in the City of Colorado Springs, Colorado.

The District was organized to provide planning, acquisition, construction, installation and financing of public improvements, including streets, water, wastewater, traffic and safety controls, park and recreation and mosquito control primarily for a commercial development.

The District's voters held an election on May 6, 2008. The election approved general obligation indebtedness of \$40,000,000 for street improvements, \$40,000,000 for water facilities, \$40,000,000 for wastewater facilities, \$40,000,000 for traffic and safety controls, \$40,000,000 for parks and recreation facilities, \$40,000,000 for mosquito control, and \$40,000,000 for refinancing of District debt. The election approved an annual increase in taxes of \$750,000 for general operation and maintenance. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado Constitution or any other law.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$40,000,000.

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 differences 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 Information page of the budget.

**POWERS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

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 10% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated on average interest rates of approximately .12%.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative and operating expenses.

County Treasurer's Fees

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

Debt and Leases

The District issued Bonds on October 4, 2018, in the amount of \$3,110,000. The proceeds from the sale of the Bond were used to (i) pay the Project Costs; (ii) fund capitalized interest; (iii) fund the Reserve Fund to the Reserve Requirements, and (iv) pay costs of issuance of the Bonds.

The Bonds were issued as term bonds bearing interest at 5.375%, payable semiannually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Bonds mature on December 1, 2048.

The Bonds are secured by and payable solely from Pledged Revenue, net of the cost of collection, which is defined generally in the Indenture as:

- (a) All Property Tax Revenues
- (b) All Capital Fees, if any; and
- (c) Any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

**POWERS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Bonds are secured by amounts on deposit in the Reserve Fund in the Reserve Requirement amount of \$247,569.

Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus amount of \$311,000. In accordance with the Indenture, the Surplus Fund is to be maintained as long as any Bonds are outstanding. When no Bonds are outstanding, any moneys in the Surplus Fund are required to be remitted to the District for application to any lawful purpose of the District. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Required Mill Levy.

A schedule of the debt service requirements for the Bonds is provided.

The District has no operating or capital leases.

Emergency Reserves

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.

**POWERS METROPOLITAN DISTRICT
DEBT SERVICE REQUIREMENTS TO MATURITY**

\$3,110,000 Limited Tax General Obligation Bonds

Issue date October 4, 2018

Principal Due Annually December 1

Interest at 5.375%

Due June 1 and December 1

Year Ending December 31,	Principal	Interest	Total
2022	\$ 30,000	\$ 165,819	\$ 195,819
2023	30,000	164,206	194,206
2024	35,000	162,594	197,594
2025	40,000	160,713	200,713
2026	45,000	158,563	203,563
2027	45,000	156,143	201,143
2028	55,000	153,725	208,725
2029	55,000	150,769	205,769
2030	65,000	147,813	212,813
2031	65,000	144,318	209,318
2032	75,000	140,825	215,825
2033	80,000	136,794	216,794
2034	90,000	132,493	222,493
2035	95,000	127,656	222,656
2036	100,000	122,550	222,550
2037	105,000	117,175	222,175
2038	115,000	111,531	226,531
2039	125,000	105,350	230,350
2040	135,000	98,631	233,631
2041	140,000	91,375	231,375
2042	155,000	83,850	238,850
2043	160,000	75,519	235,519
2044	175,000	66,919	241,919
2045	185,000	57,513	242,513
2046	200,000	47,569	247,569
2047	210,000	36,819	246,819
2048	475,000	25,531	500,531
	<u>\$ 3,085,000</u>	<u>\$ 3,142,763</u>	<u>\$ 6,227,763</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT B

2021 Audit Extension Attached



OFFICE OF THE STATE AUDITOR • LOCAL GOVERNMENT AUDIT DIVISION
KERRI L. HUNTER, CPA • STATE AUDITOR

Request for Extension of Time to File Audit for Year End December 31, 2021 ONLY

If someone other than an elected board member submitted an extension request, this form should be signed by a member of the elected governing body and submitted with the audit by September 30, 2022.

Requests may be submitted via internet portal: <https://apps.lcg.co.gov/osa/lg>.

Government Name:	<u>Powers Metropolitan District</u>
Name of Contact:	<u>Carrie Bartow</u>
Address:	<u>121 South Tejon Street, Suite 1100</u>
City/Zip Code	<u>Colorado Springs, CO 80903</u>
Phone Number:	<u>719-635-0330</u>
Fax Number:	<u>719-473-3630</u>
E-mail	<u>Carrie.Bartow@clacconnect.com</u>
Fiscal Year Ending (mm/dd/yyyy):	<u>12/31/2021</u>
Amount of Time Requested (in days): (Not to exceed 60 calendar days)	<u>60 days</u> <u>Audit Due:</u> <u>September 30, 2022</u>
Comments (optional):	<u></u>

I understand that if the audit is not submitted within the approved extension of time, the government named in the extension request will be considered in default without further notice, and the State Auditor shall take further action as prescribed by Section 29-1-606(5)(b), C.R.S.

Must be signed by a member of the governing board.

Signature

Printed Name:

MAX GANSLIME

Title:

PRESIDENT

Date:

7-19-22