

City of Woodland Park, Colorado

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Comprehensive Annual Financial Report



Photo Courtesy of Bruce Vanderpool – Pro Cycling Challenge Sprint, August 24, 2012, Woodland Park, Colorado

For the Year Ended December 31, 2013



CITY OF WOODLAND PARK, COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2013

Prepared By

FINANCE DEPARTMENT

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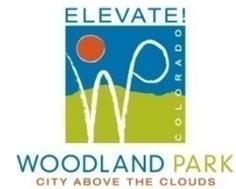
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INTRODUCTORY SECTION



April 29, 2014

To the Honorable Mayor Turley, Members of City Council, and Citizens of Woodland Park, Colorado:

Sections 4.3 and 9.13 of the Woodland Park City Charter require that the City Manager prepare and submit to the City Council within one hundred twenty (120) days after the end of each fiscal year, a complete report of finances and administrative activities of the City for the preceding year in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Woodland Park for the fiscal year ended December 31, 2013.

This report consists of management's representations concerning the finances of the City of Woodland Park. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Woodland Park has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Woodland Park's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Woodland Park's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Swanhorst & Company, LLC, a firm of licensed certified public accountants, has audited the City of Woodland Park's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Woodland Park for the fiscal year ended December 31, 2013, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor

concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Woodland Park's financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Woodland Park's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Woodland Park, incorporated in 1891, is located 18 miles northwest of Colorado Springs and functions as a bedroom community to Colorado Springs with a significant portion of our working population commuting to areas outside Woodland Park for employment. Woodland Park, known as the "City Above the Clouds," provides a home to people seeking a scenic mountain environment. The City is also the largest municipality and regional service/retail center in Teller County. The City of Woodland Park currently occupies a land area of 6.64 square miles and serves an estimated population of 7,216. The City of Woodland Park is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Woodland Park operates under the council-manager form of government with policy-making and legislative authority vested in the City Council consisting of the Mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, appointing committees, and hiring the City Manager, City Attorney, and Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every two years. The mayor is elected to serve a two-year term, and shall continue in office for not more than four consecutive elective terms. Council members are elected to serve four-year terms and shall continue in office for not more than two consecutive elective terms. No elective officer, however, shall remain in municipal office for longer than nine (9) successive years.

The City of Woodland Park provides a full range of services, including police protection; the construction and maintenance of highways, streets, and other infrastructure; planning and zoning; recreational activities and facilities; and cultural

events. Certain sanitation services are provided through the City of Woodland Park Water and Wastewater enterprise funds, which function, in essence, as a department of the City of Woodland Park and have been included as an integral part of the City of Woodland Park's financial statements. The City of Woodland Park is also financially accountable for a legally separate Downtown Development Authority that is reported separately within the City of Woodland Park's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements.

The annual budget serves as the foundation and work plan for the City of Woodland Park's financial planning and control. All departments of the City of Woodland Park are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Council for consideration on or before October 15 of each year. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no less than 15 days before the next fiscal year. The appropriated budget is prepared by fund, department (e.g. public works), and division (e.g. streets). City administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter total expenditures of any fund must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Information Useful in Assessing the Government's Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Woodland Park operates.

Local economy. The City of Woodland Park currently enjoys a relatively stable economic environment with local indicators pointing to continued growth in future years. The region relies upon tourism, mining, construction, educational/health/social services, retail, real estate, and light manufacturing as its main industries. The region (which includes the City of Woodland Park as the county's major population and retail center) has an employed labor force of approximately 11,289, which is anticipated to grow with corresponding growth in population and a continued rebound of the economy.

Long-term financial planning. The Woodland Park Downtown Development Authority (DDA) was created by the vote of the district's electorate in September of 2001. The DDA's Foundation Plan was created in February 2002 as the essential first step, required by Colorado Law, in determining how to make downtown Woodland Park a better place for people and businesses. This Foundation Plan is intended as a basic roadmap for improving the downtown for the convenience and enjoyment of our

community with top priority on supporting private enterprise, development, and redevelopment. As a result of the DDA's efforts, the City of Woodland Park's central business district is expected to become vibrant with a variety of stores, specialty shops, entertainment venues, and commercial businesses. Meanwhile, there continues to be slow residential growth. With evidence of some recovery of growth throughout the region, Woodland Park is expected to experience continued demands relative to traffic and water and wastewater utilities.

In order to address these demands in our community, the elected officials and management of the City of Woodland Park continue to plan for future residential development, infrastructure improvements, transportation impact mitigation, and commercial and retail growth within our community. At the same time, strict attention is given to increasing the quality of service delivery to our citizens. Special efforts are being undertaken in all areas to protect and improve the quality of life in Woodland Park.

Relevant financial policies. In the fall of 2012, City management, in conjunction with the City Council, considered the financial position of the City as it relates to the state of the economy and made conservative revenue projections for the General Fund 2013 budget and set expenditure levels within those constraints. As a point of clarification, the "Final Budget" presented in the Budgetary Comparison Schedule, General Fund, on pages 28 and 29 of the Financial Section reflects the revenue and expenditure levels as agreed upon by the management and City Council.

Major initiatives. In partnership with the Federal Emergency Management Agency (FEMA), the City completed the design phase and began the construction of major improvements to the Fountain Creek drainage basin during 2013, with construction to be completed during 2014. The purpose of the project is to protect critical sanitary sewer infrastructure and public health, safety and property from damaging floods; and to prevent further down-cutting, erosion and lateral migration of Fountain Creek.

A Master Redevelopment Plan and Design for Memorial Park was completed during 2013 with construction drawings and the initial Phase of construction to take place during 2014. A combination of General Fund and State of Colorado Conservation Trust revenues are available for this central Woodland Park project. This redevelopment of an icon in Woodland Park will provide another location for Woodland Park citizens and event coordinators to enjoy the beautiful outdoors and our local park facilities.

Awards and Acknowledgements

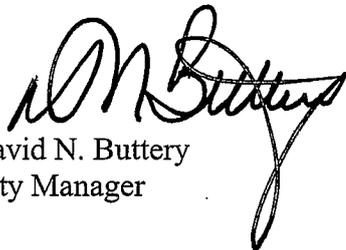
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Woodland Park for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the 20th consecutive year that

Woodland Park has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and other departments. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Woodland Park's finances.

Respectfully submitted,



David N. BATTERY
City Manager



Kellie J. Case
Finance Director/Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

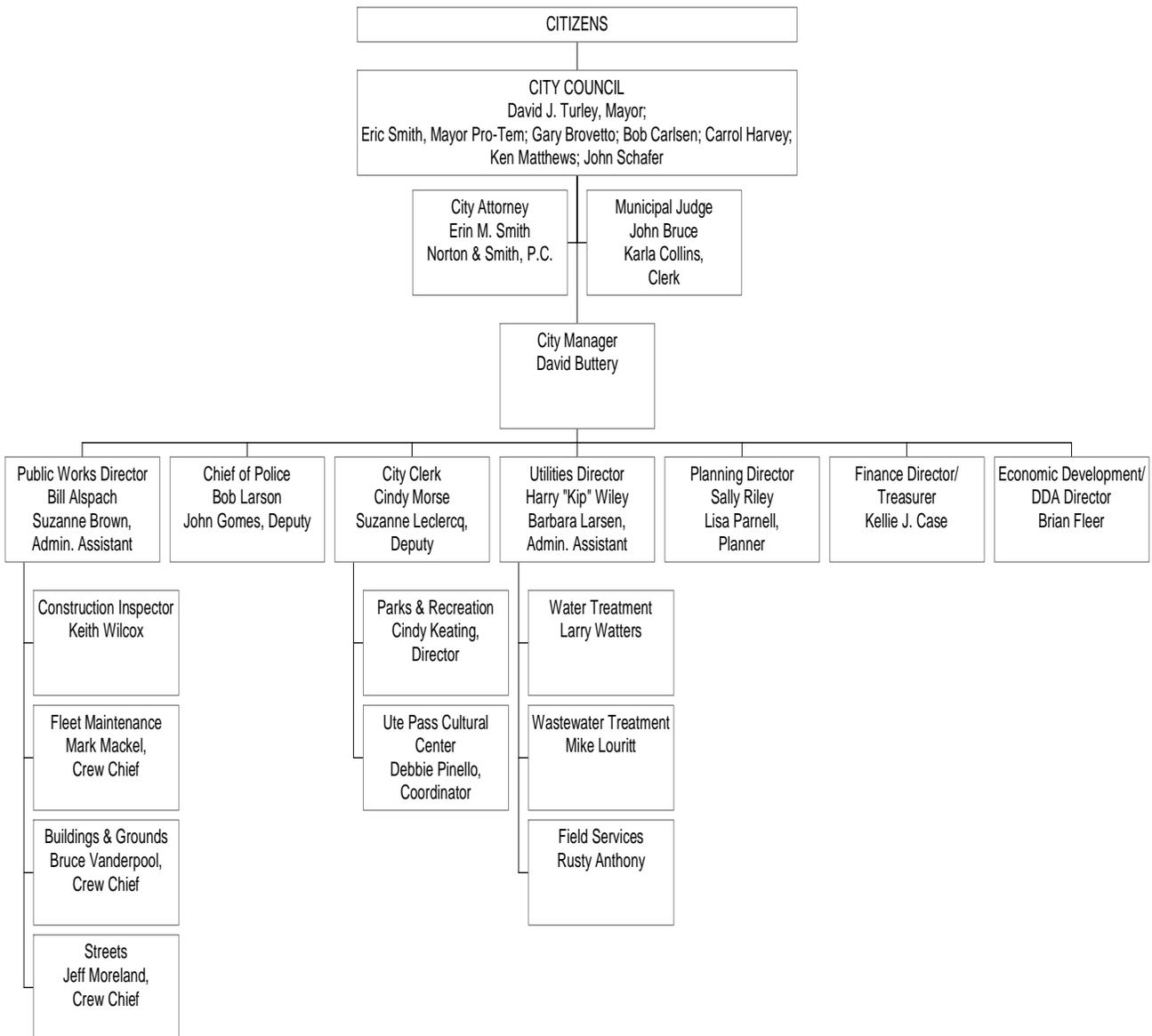
**City of Woodland Park
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

2013 City of Woodland Park Organization Chart



City of Woodland Park

LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2013

CITY COUNCIL

<u>TITLE</u>	<u>NAME</u>
Mayor	David J. Turley
Mayor Pro Tem	Eric Smith
Council Member	Gary Brovetto
Council Member	Bob Carlsen
Council Member	Carrol Harvey
Council Member	Ken Matthews
Council Member	John Schafer

CITY ADMINISTRATIVE OFFICERS

<u>TITLE</u>	<u>NAME</u>
City Manager	David N. Buttery
City Attorney	Norton, Smith & Keane, PC
Asst. Mgr./City Clerk	Cindy Morse
Finance Director/Treasurer	Kellie J. Case
Planning Director	Sally Riley
Public Works Director	Bill Alspach
Police Chief	Robert Larson
Utilities Director	Harry "Kip" Wiley
Parks & Recreation Director	Cindy Keating
DDA/Econ. Dev. Exec. Director	Brian Fleer
Municipal Judge	John Bruce

FINANCIAL SECTION



Honorable Mayor and Members of the City Council
City of Woodland Park
Woodland Park, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Woodland Park as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Woodland Park, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Woodland Park as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, in the year ended December 31, 2013, the City of Woodland Park adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters (Required Supplementary Information)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Other Information)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Woodland Park's basic financial statements. The introductory section, combining and individual fund statements and schedules, statistical section and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2014, on our consideration of the City of Woodland Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Woodland Park's internal control over financial reporting and compliance.



April 29, 2014



MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the City of Woodland Park, we offer readers of the City of Woodland Park's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages "i-v" of this report.

FINANCIAL HIGHLIGHTS

- The City of Woodland Park continues to strengthen its financial condition as evidence shows improvements in the state of the economy.
- The assets of the City of Woodland Park exceeded its liabilities at the close of 2013 by \$45,550,141 (net position). Of this amount, \$5,413,409 or 11.9% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,910,830 in 2013. This increase is primarily attributable to revenues exceeding expectations, expenses lagging those budgeted and decreased outstanding debt and ongoing expenses.
- At December 31, 2013, the combined fund balance for the City's governmental funds was \$4,096,390, an increase of \$103,014 due to revenues exceeding projections and spending less than budgeted in the General and Street Capital Improvements Funds during 2013. Fund Balance in the Street Capital Improvements Fund increased \$114,293 from a decrease in street capital expenditures and an increase in sales tax revenues during 2013. Of the current governmental-type fund balances, \$1,696,365, or 41.4%, is unrestricted.
- The unrestricted fund balance for the General Fund was \$1,696,365, or 27.5% of the total General Fund expenditures.
- Tax revenues increased by 6.4% over 2012, primarily due to an increase in sales, property and most other tax revenues.
- The City's total debt decreased \$1,267,100 to \$4,909,686 as a result of scheduled principal payments due and paid during 2013.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Woodland Park's basic financial statements. The City of Woodland Park's basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Woodland Park's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Woodland Park's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Woodland Park is improving or deteriorating.

The *statement of activities* presents information showing how the City of Woodland Park's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Woodland Park that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the City of Woodland Park include general government, public safety (police), streets, planning, economic development and parks and recreation. The Business-type Activities of the City of Woodland Park include Water and Wastewater.

The government-wide financial statements include not only the City of Woodland Park, but also a legally separate Downtown Development Authority for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the City itself.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however, City Council establishes other funds to help control and manage money for particular purposes (e.g. Iverson Memorial Trust Fund). All of the City's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end are available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed, short-term view of cash, the governmental fund operations, and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation presented following the fund financial statements.

Proprietary funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact the City's enterprise funds are the same as the business-

type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Woodland Park’s own programs. The method of accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, the report also presents the combining statements in connection with non-major Governmental Funds. Combining and individual fund statements and schedules can be found after the Notes in the financial section.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Woodland Park, assets exceeded liabilities by \$45,550,141 at the close of 2013.

City of Woodland Park Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current & other assets	\$ 6,865,250	\$ 6,025,817	\$ 3,136,624	\$ 2,588,352	\$ 10,001,874	\$ 8,614,169
Capital assets	27,595,806	26,091,121	15,739,041	16,267,533	43,334,847	42,358,654
Total assets	34,461,056	32,116,938	18,875,665	18,855,885	53,336,721	50,972,823
Long-term debt outstanding	2,811,814	3,278,371	2,097,872	2,840,370	4,909,686	6,118,741
Other liabilities	1,144,164	318,131	139,217	145,433	1,283,381	463,564
Total liabilities	3,955,978	3,596,502	2,237,089	2,985,803	6,193,067	6,582,305
Deferred inflows of resources:						
Property taxes	1,624,696	1,714,310	-	-	1,624,696	1,714,310
Net position:						
Net investment in capital assets	25,035,806	23,041,121	13,743,113	13,488,325	38,778,919	36,529,446
Restricted	1,157,813	1,037,520	200,000	150,000	1,357,813	1,187,520
Unrestricted	2,686,763	2,727,485	2,726,646	2,194,860	5,413,409	4,922,345
Total net position	\$ 28,880,382	\$ 26,806,126	\$ 16,669,759	\$ 15,833,185	\$ 45,550,141	\$ 42,639,311

The largest portion of the City of Woodland Park’s net position (85.1%) reflects its investment in capital assets (e.g. land, buildings, etc.) less any related debt that was used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets

themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

The restricted portion of net position (3.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$5,413,409) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

The City reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate Governmental and Business-type Activities.

Changes in Net Position

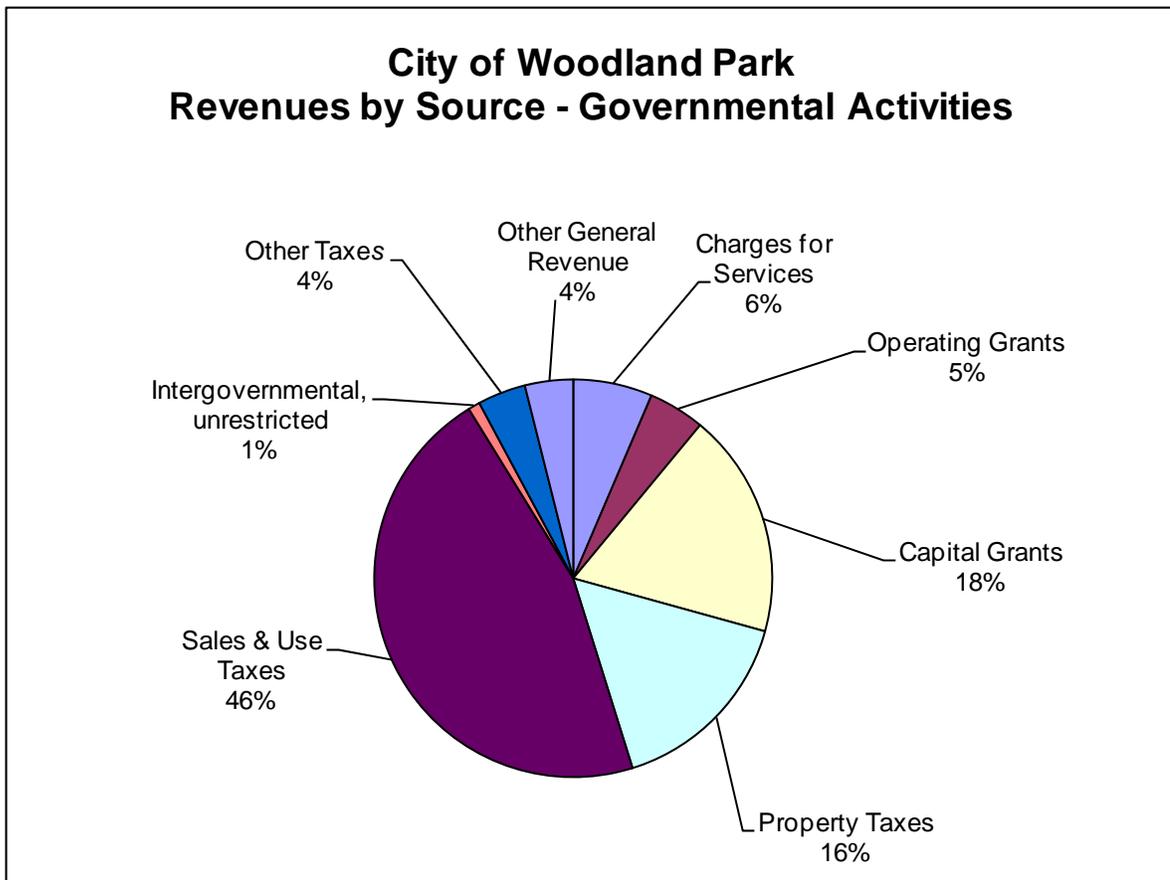
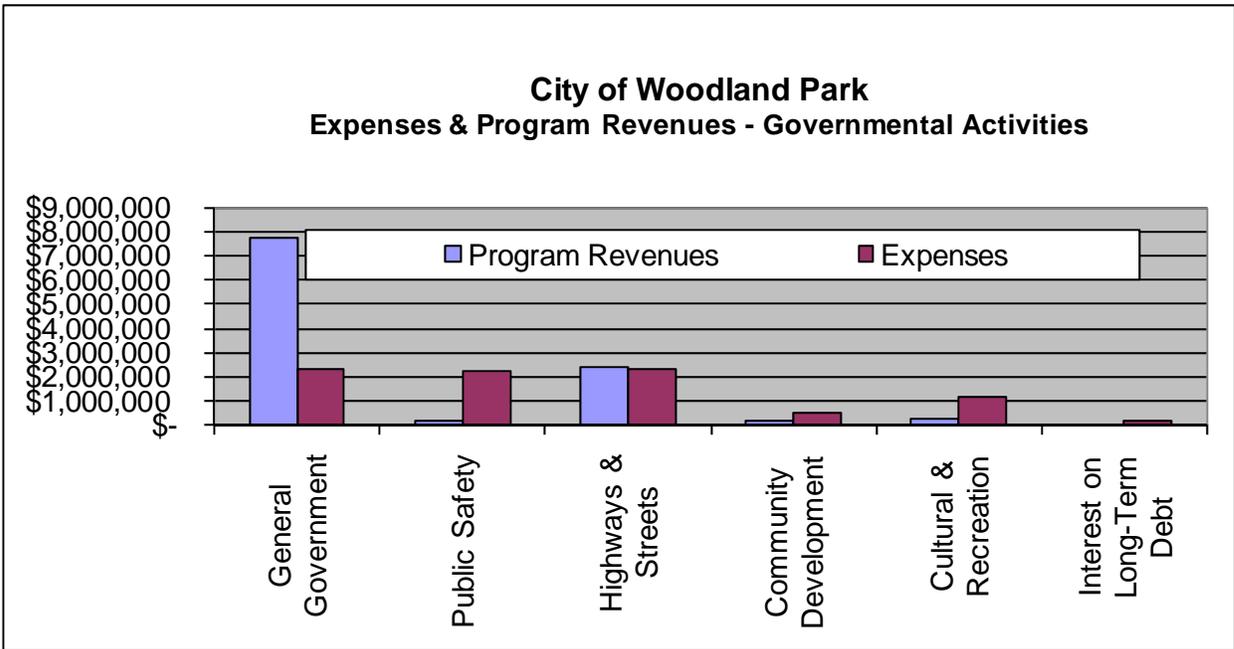
The City's total revenues of \$14,403,921 exceed program expenses of \$11,493,091, with the difference creating an increase in net position for 2013 of \$2,910,830. The majority of the increase is the result of higher tax revenues, decreased expenses, decreased outstanding debt, and ongoing operations.

City of Woodland Park's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 692,120	\$ 897,018	\$ 3,055,717	\$ 3,230,803	\$ 3,747,837	\$ 4,127,821
Operating grants	492,268	497,904	-	-	492,268	497,904
Capital grants & contributions	1,967,348	523,552	716,986	290,310	2,684,334	813,862
General revenues:						
Property taxes	1,709,020	1,700,858	-	-	1,709,020	1,700,858
Sales & use taxes	4,951,553	4,555,160	-	-	4,951,553	4,555,160
Other taxes	421,038	402,184	-	-	421,038	402,184
Intergovernmental, unrestricted	103,103	100,613	-	-	103,103	100,613
Other general revenues	288,391	256,683	6,377	8,672	294,768	265,355
Total revenues	10,624,841	8,933,972	3,779,080	3,529,785	14,403,921	12,463,757
Expenses:						
General government	2,295,789	2,130,663	-	-	2,295,789	2,130,663
Public safety	2,223,584	2,097,898	-	-	2,223,584	2,097,898
Highway & streets	2,329,999	1,335,940	-	-	2,329,999	1,335,940
Community development	513,522	571,603	-	-	513,522	571,603
Cultural & recreation	1,165,236	1,122,934	-	-	1,165,236	1,122,934
Interest on long-term debt	155,383	190,994	-	-	155,383	190,994
Water	-	-	1,526,045	1,601,282	1,526,045	1,601,282
Wastewater	-	-	1,283,533	1,241,030	1,283,533	1,241,030
Total expenses	8,683,513	7,450,032	2,809,578	2,842,312	11,493,091	10,292,344
Increase in net position before transfers	1,941,328	1,483,940	969,502	687,473	2,910,830	2,171,413
Net transfers	132,928	53,427	(132,928)	(53,427)	-	-
Increase (decrease) in net position	2,074,256	1,537,367	836,574	634,046	2,910,830	2,171,413
Net position - January 1	26,806,126	25,268,759	15,833,185	15,254,587	42,639,311	40,523,346
Net position - December 31	\$ 28,880,382	\$ 26,806,126	\$ 16,669,759	\$ 15,833,185	\$ 45,550,141	\$ 42,639,311

Governmental Activities

Governmental activities increased the City of Woodland Park's net position by \$2,074,256 for 2013, thereby accounting for 71.3% of the total growth in the net position of the City of Woodland Park. The following illustrates the Governmental Activities expenses and revenues:



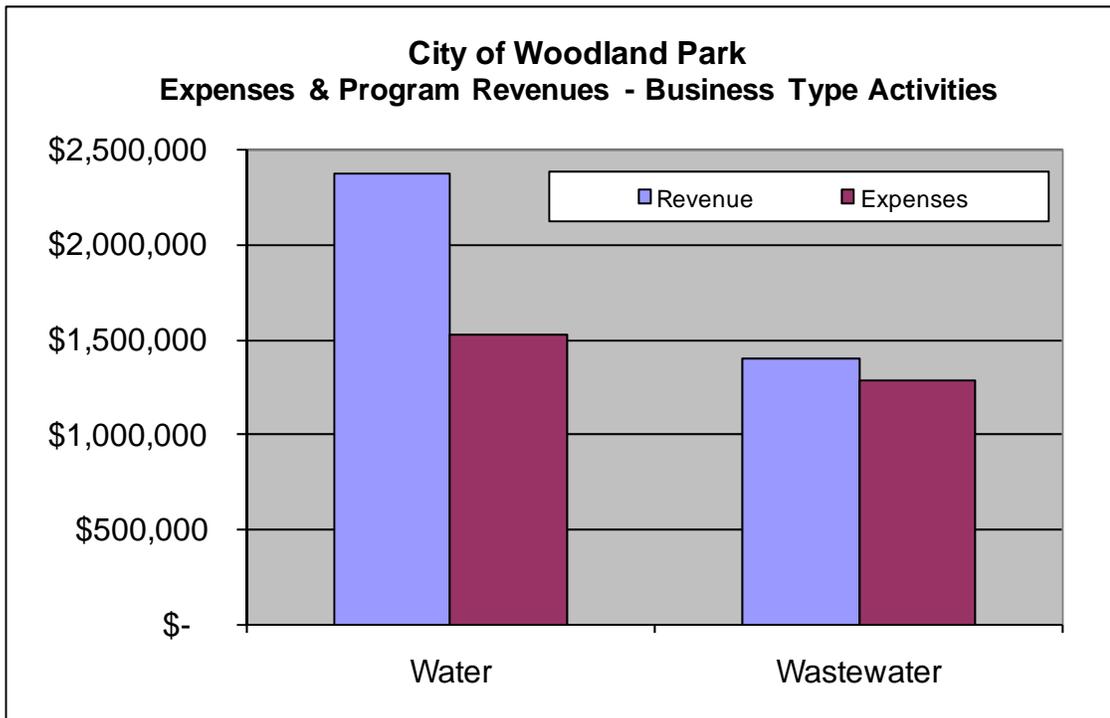
Sales and use tax revenue increased 8.7% during the year. The majority of the increase is attributed to continued economic recovery and improved use tax on building materials for 2013 after several commercial development projects came online during the year.

An increase in property tax revenue of \$8,162 (0.5%) was seen during the year. This increase was attributed to 2013 seeing increased cash flows from increased development after continued recovery from the recession. The mill levy has remained constant since 1991.

Expenses increased in 2013 by 16.6% with the majority of the incline attributed to increased investment in highways and streets in addition to inflationary pressure on general spending during 2013. However, overall expenditures were less than budgeted.

Business-type Activities

Net position in Business-type Activities increased by \$836,574 due to increased capital revenues in addition to decreased capital and operating expenses in both the water and wastewater funds. The following illustrates the Business-type Activities revenues and expenses.



Charges for services for business-type activities decreased \$175,086 or 5.4% compared to 2012. The revenue generated from water and wastewater user and system development fees accounted for most of the decrease as water conservation efforts continue considering the potential for drought conditions in the region. Specifically, water user fees were down 6.9% and wastewater user fees were down 3.3% for the year. System development fee revenues increased for the Water and Wastewater Funds (\$409,032 or 194.9%, and \$17,644 or 21.9%, respectively) as several large commercial building permits were issued in 2013 causing another unusually large swell compared to recent years.

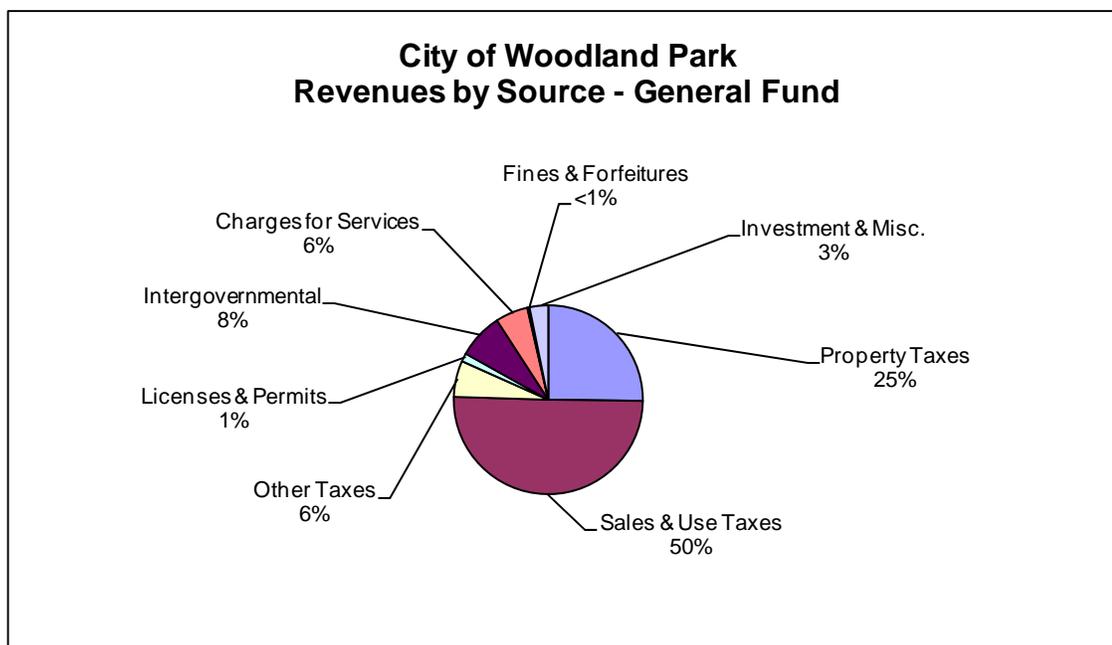
Investment earnings decreased \$2,295 or 26.5% due to decreasing revenues, and thus cash reserves, and continued low yields received on investments.

The City's Funds

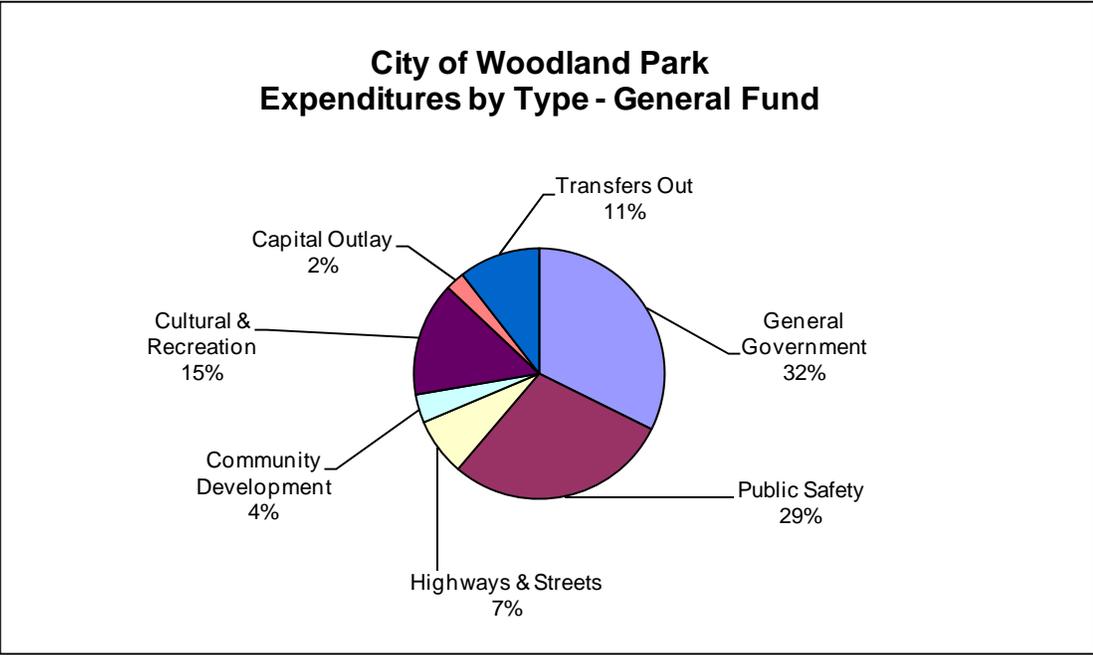
The City's Governmental Funds are accounted for using the modified accrual basis of accounting. As the City completed the year, its Governmental Funds reported a combined fund balance of \$4,096,390. Of that fund balance, \$1,696,365 was unrestricted. The remainder of the fund balance is nonspendable, restricted or committed and is not available for new spending because it is already committed as follows:

Nonspendable Supplies Inventory	\$ 155,084
Nonspendable Due from Component Unit (DDA)	1,000,000
Restricted for Emergencies (TABOR)	261,000
Restricted for Street Improvements	896,813
Committed to Storm Water Management Activities	87,128

The General Fund accounts for all of the general services provided by the City of Woodland Park. At the end of 2013, the fund balance of the General Fund totaled \$3,112,449, with an increase of \$3,803 or 0.1%. The current General Fund fund balance is 45.2% of General Fund expenditures, including transfers out, and a level above 10% is considered acceptable by the City Council. The restricted components comprise a minority of that fund balance, and given the current evidence of a continued economic recovery and moderate increases in revenues in general, the City's General Fund ended 2013 in a strong financial position.



General Fund expenditures include all administrative functions of the City including Council, Clerk, Manager, Finance, Attorney, Human Resources, Planning & Building, Recreation, Public Safety (Police), Economic Development and Municipal facilities. The following shows a graphical presentation of General Fund expenditures by type:



The Street Capital Improvements Fund is the City’s only active capital improvement fund and accounts for 1 and 3 percent sales tax the City receives from retail sales in Woodland Park. The revenues of the Street Capital Improvements Fund are restricted to use for only street-related capital improvements and the maintenance thereof. The fund balance for this fund increased \$114,293 or 14.6% due to increased sales tax revenues for capital improvement projects.

The City’s Grants Fund is considered a Major Governmental Fund in 2013 and accounts for the receipt and expenditure of grants received from outside agencies, whether local, state, or federal. The year-end fund balance of \$0 is a result of the City receiving reimbursement for expenditures incurred during 2013. The Non Major Governmental Funds of the City of Woodland Park include three debt service funds required for the accumulation of revenues from various other funds of the City, and the payment of debt service principal and interest expenses periodically during each year. The total fund balance of the Non Major Governmental Funds at year-end 2013 was \$87,128 as the Drainage Debt Service Fund is expending capital fees associated with several large commercial development projects in 2012.

The City of Woodland Park has two proprietary-type funds, accounting for the operation of water and wastewater services for the community. The combined net position at year-end 2013 for the proprietary funds was \$16,669,759, with \$9,304,598 for Water and \$7,365,161 for Wastewater.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2013, the City Council approved eight amendments to the General Fund budget. Any recommended amendments for budget changes are made by ordinance according to the City’s Municipal Code. Ordinance enactment requires a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund.

For the General Fund, the original and final (considering supplemental appropriation for expenses) budgeted revenues were \$6,392,026, and actual revenues of \$6,781,221 exceeded the final budget by \$389,195 mainly due to increased retail sales (thus increased sales tax revenues) and other taxes including

property, lodging, use and franchise taxes. Commercial and residential construction activities saw an increase reflecting improved economic recovery. The General Fund original budgeted expenditures of \$6,700,399 increased by \$22,700 to \$6,723,099 (excluding transfers). The increase included \$15,000 for additional property/casualty costs associated with a major water break and \$7,700 for emergency response to a flood in city hall. Actual expenditures of \$6,161,668 were less than budgeted by \$561,431 because several budgeted expenditures did not occur or were less than projected. The actual year-end fund balance was \$868,496 above the budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2013, the City had invested in a broad range of capital assets, including the installation of a new scoreboard on the red field and resurface the tennis courts at Meadow Wood Sports Complex; replace upstairs windows and repair the roof at City Hall, paint the pedestrian underpass under Highway 24; installation of bear-proof trash receptacles and enclosures for the port-o-lets at Red Mountain BMX and Skateboard park; completed design and construction of improvements to the Fountain Creek drainage basin in conjunction with FEMA and the State of Colorado; making major infrastructure and drainage improvements in the Downtown Development Authority's Woodland Station to facilitate the construction of the new Woodland Hardware store; implementing online inquiry, registrations and payments for sales and use tax filings and business license renewals; replace two vehicles in the City's fleet; and various water and wastewater improvements; storm water drainage and other infrastructure improvements.

The table below provides a comparative summary of total capital assets, net of depreciation, at December 31, 2013:

City of Woodland Park
Capital Assets at Year-End 2013
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land & Improvements	\$ 3,958,901	\$ 3,923,861	\$ 186,055	\$ 186,055	\$ 4,144,956	\$ 4,109,916
Buildings	2,965,477	3,151,506	-	-	2,965,477	3,151,506
Improvements	2,978,913	3,091,575	10,190,724	10,745,229	13,169,637	13,836,804
Machinery & Equipment	728,208	879,477	470,766	477,558	1,198,974	1,357,035
Water Rights	-	-	4,867,316	4,840,611	4,867,316	4,840,611
Infrastructure	16,964,307	14,732,115	-	-	16,964,307	14,732,115
Construction in Progress	-	312,587	24,180	18,080	24,180	330,667
Totals	\$ 27,595,806	\$ 26,091,121	\$ 15,739,041	\$ 16,267,533	\$ 43,334,847	\$ 42,358,654

Major capital expenses during 2013 included:

Memorial Park Master Plan	\$ 24,320
Ute Pass Historical Society Museum Center Building Improvements	41,002
Drainage Criteria Manual Upgrade	29,987
Lake Avenue Sidewalks Improvements	80,833
E. Fork Fountain Creek Drainage Improvements	695,821
Woodland Station Infrastructure Improvements	967,626
Water and Wastewater Plant Improvements	35,262
Vehicle/Equipment Replacements	126,817
Street Paving/Parking Lot/Trails/Drainage/Sidewalks Improvements	970,360

The City remains committed to the preservation and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Notes 1 and 6 to the financial statements.

Debt

Note 7 of the financial statements provides a summary of the City's long-term debt. At the end of 2013, the City had total debt outstanding of \$4,909,686. Of the total, \$900,000 is general obligation debt, backed by the full faith and credit of the City; \$570,000 is revenue bonded debt to be repaid only by specific tax and fee revenues; \$1,660,000 are Certificates of Participation paid by annual appropriation of the yearly lease payments for the Public Works Facility and Police Operations Center; and the remaining \$1,779,686 is other loans and employee compensated absences liability to be repaid according to the terms of the applicable documents. The City's total outstanding debt was decreased by \$1,267,100 in 2013.

City of Woodland Park Outstanding Debt - Year End 2013

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 900,000	\$ 1,140,000	\$ -	\$ -	\$ 900,000	\$ 1,140,000
Revenue Bonds	-	-	570,000	1,105,000	570,000	1,105,000
Certificates of Participation	1,660,000	1,910,000	-	-	1,660,000	1,910,000
Leases, Loans & Compensated Absences	251,814	228,371	1,527,872	1,793,415	1,779,686	2,021,786
Totals	\$ 2,811,814	\$ 3,278,371	\$ 2,097,872	\$ 2,898,415	\$ 4,909,686	\$ 6,176,786

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Woodland Park improved its financial position to a stronger position with further evidence of recovery from several years of an economic downturn. Citywide reserves exceed the levels that the City has established as acceptable. In preparing the 2014 Budget, the City of Woodland Park had to take several factors into consideration, including a continued economic recovery and increased consumer confidence both locally and nationally. The City is again being cautious with its spending in 2014, carefully monitoring discretionary purchases and revenues to continually assess the City's financial position. The 2014 Budget reflects the City's ongoing commitment to a continued level of services and maintenance of City infrastructure as top priorities.

At the time of this analysis, sales and use tax revenues exceed 2013 by 2.63% as economic indicators are beginning to show signs of greater improvement and many economists are projecting a continued upward trend. With Property Tax revenue projected to have a modest decrease, overall General Fund revenues should offset inflationary increases in expenditures. The City anticipates ending 2014 with an unrestricted general fund balance of \$990,860 or 15.0% of operating expenditures.

Water and wastewater rates remained at current levels throughout 2013. The City is able to delay the construction of a planned expansion of the wastewater treatment facility until after existing long-term debt is retired enhancing cash flows and improving net position of the enterprise funds. Further, because the Denver/Boulder/Greeley CIP index increased for 2013, a 2.078% annual inflationary rate increase was instituted in the water fund.

QUESTIONS ABOUT THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Woodland Park's finances and to show the City's accountability for the funds and assets it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Woodland Park, PO Box 9007, 220 W. South Avenue, Woodland Park, Colorado, 80866.

BASIC FINANCIAL STATEMENTS

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF NET POSITION

December 31, 2013

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
ASSETS				
Cash and Investments	\$ 2,807,286	\$ 2,551,780	\$ 5,359,066	\$ 112,240
Accounts Receivable	1,278,184	274,999	1,553,183	290
Taxes Receivable	1,624,696	-	1,624,696	346,014
Supplies Inventory	155,084	109,845	264,929	-
Restricted Cash and Investments	-	200,000	200,000	-
Due from Component Unit	1,000,000	-	1,000,000	-
Land Held for Resale	-	-	-	1,060,194
Capital Assets, Not Being Depreciated	3,958,901	5,077,551	9,036,452	-
Capital Assets, Net of Accumulated Depreciation	23,636,905	10,661,490	34,298,395	-
TOTAL ASSETS	34,461,056	18,875,665	53,336,721	1,518,738
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding, Net of Accumulated Amortization	-	31,183	31,183	56,723
LIABILITIES				
Accounts Payable	764,090	51,975	816,065	65,885
Accrued Salaries	112,700	22,399	135,099	1,186
Accrued Interest Payable	-	36,521	36,521	195,199
Customer Deposits	199,746	28,322	228,068	-
Unearned Revenues	67,628	-	67,628	-
Due to Primary Government	-	-	-	1,000,000
Noncurrent Liabilities				
Due Within One Year	698,861	624,418	1,323,279	126,085
Due in More Than One Year	2,112,953	1,473,454	3,586,407	3,164,362
TOTAL LIABILITIES	3,955,978	2,237,089	6,193,067	4,552,717
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	1,624,696	-	1,624,696	346,014
NET POSITION				
Net Investment in Capital Assets	25,035,806	13,743,113	38,778,919	-
Restricted for Emergencies	261,000	-	261,000	-
Restricted for Street Improvements	896,813	-	896,813	-
Restricted for Repair and Replacement	-	200,000	200,000	-
Unrestricted	2,686,763	2,726,646	5,413,409	(3,323,270)
TOTAL NET POSITION	\$ 28,880,382	\$ 16,669,759	\$ 45,550,141	\$ (3,323,270)

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,295,789	\$ 111,465	\$ 30,806	\$ -
Public Safety	2,223,584	42,250	115,665	-
Highways and Streets	2,329,999	199,487	345,797	1,889,268
Community Development	513,522	192,049	-	-
Cultural and Recreation	1,165,236	146,869	-	78,080
Interest on Long-Term Debt	155,383	-	-	-
Total Governmental Activities	8,683,513	692,120	492,268	1,967,348
Business-Type Activities				
Water	1,526,045	1,756,872	-	618,866
Wastewater	1,283,533	1,298,845	-	98,120
Total Business-Type Activities	2,809,578	3,055,717	-	716,986
TOTAL PRIMARY GOVERNMENT	\$ 11,493,091	\$ 3,747,837	\$ 492,268	\$ 2,684,334
Component Unit				
Downtown Development Authority	\$ 1,244,798	\$ -	\$ -	\$ -

GENERAL REVENUES

Property Taxes
 Specific Ownership Taxes
 Sales and Use Taxes
 Franchise Taxes
 Intergovernmental Revenues not Restricted to Specific Programs
 Investment Income
 Miscellaneous

TRANSFERS

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION

PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	COMPONENT UNIT
\$ (2,153,518)	\$ -	\$ (2,153,518)	\$ -
(2,065,669)	-	(2,065,669)	-
104,553	-	104,553	-
(321,473)	-	(321,473)	-
(940,287)	-	(940,287)	-
<u>(155,383)</u>	<u>-</u>	<u>(155,383)</u>	<u>-</u>
<u>(5,531,777)</u>	<u>-</u>	<u>(5,531,777)</u>	<u>-</u>
-	849,693	849,693	-
<u>-</u>	<u>113,432</u>	<u>113,432</u>	<u>-</u>
-	963,125	963,125	-
<u>(5,531,777)</u>	<u>963,125</u>	<u>(4,568,652)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,244,798)</u>
1,709,020	-	1,709,020	314,420
142,223	-	142,223	-
4,951,553	-	4,951,553	-
278,815	-	278,815	-
103,103	-	103,103	-
9,791	6,377	16,168	1,572
278,600	-	278,600	-
<u>132,928</u>	<u>(132,928)</u>	<u>-</u>	<u>-</u>
<u>7,606,033</u>	<u>(126,551)</u>	<u>7,479,482</u>	<u>315,992</u>
2,074,256	836,574	2,910,830	(928,806)
<u>26,806,126</u>	<u>15,833,185</u>	<u>42,639,311</u>	<u>(2,394,464)</u>
<u>\$ 28,880,382</u>	<u>\$ 16,669,759</u>	<u>\$ 45,550,141</u>	<u>\$ (3,323,270)</u>

CITY OF WOODLAND PARK, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	<u>GENERAL</u>	<u>GRANTS</u>	<u>STREET CAPITAL IMPROVEMENTS</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
ASSETS					
Cash and Investments	\$ 2,008,478	\$ -	\$ 725,152	\$ 73,656	\$ 2,807,286
Accounts Receivable	485,794	607,257	171,661	13,472	1,278,184
Taxes Receivable	1,624,696	-	-	-	1,624,696
Interfund Receivables	86,954	-	-	-	86,954
Supplies Inventory	155,084	-	-	-	155,084
Due from Component Unit	1,000,000	-	-	-	1,000,000
TOTAL ASSETS	<u>\$ 5,361,006</u>	<u>\$ 607,257</u>	<u>\$ 896,813</u>	<u>\$ 87,128</u>	<u>\$ 6,952,204</u>
LIABILITIES					
Accounts Payable	\$ 257,478	\$ 506,612	\$ -	\$ -	\$ 764,090
Accrued Salaries	109,009	3,691	-	-	112,700
Interfund Payables	-	86,954	-	-	86,954
Customer Deposits	199,746	-	-	-	199,746
Unearned Revenues	57,628	10,000	-	-	67,628
TOTAL LIABILITIES	<u>623,861</u>	<u>607,257</u>	<u>-</u>	<u>-</u>	<u>1,231,118</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	1,624,696	-	-	-	1,624,696
FUND BALANCES					
Nonspendable Supplies Inventory	155,084	-	-	-	155,084
Nonspendable Due from Component Unit	1,000,000	-	-	-	1,000,000
Restricted for Emergencies	261,000	-	-	-	261,000
Restricted for Street Improvements	-	-	896,813	-	896,813
Committed to Stormwater Management Activities	-	-	-	87,128	87,128
Unrestricted, Unassigned	1,696,365	-	-	-	1,696,365
TOTAL FUND BALANCES	<u>3,112,449</u>	<u>-</u>	<u>896,813</u>	<u>87,128</u>	<u>4,096,390</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 5,361,006</u>	<u>\$ 607,257</u>	<u>\$ 896,813</u>	<u>\$ 87,128</u>	<u>\$ 6,952,204</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2013

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$	4,096,390
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		27,595,806
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.		<u>(2,811,814)</u>
Total Net Position of Governmental Activities	\$	<u>28,880,382</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 Year Ended December 31, 2013

	<u>GENERAL</u>	<u>GRANTS</u>	<u>STREET CAPITAL IMPROVEMENTS</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
REVENUES					
Taxes	\$ 5,539,768	\$ -	\$ 1,541,843	\$ -	\$ 7,081,611
Licenses and Permits	95,347	-	-	-	95,347
Intergovernmental	526,980	1,068,113	-	-	1,595,093
Charges for Services	376,957	-	-	195,082	572,039
Fines and Forfeitures	24,734	-	-	-	24,734
Investment Income	6,224	-	2,845	722	9,791
Miscellaneous	211,211	1,003	66,386	-	278,600
TOTAL REVENUES	<u>6,781,221</u>	<u>1,069,116</u>	<u>1,611,074</u>	<u>195,804</u>	<u>9,657,215</u>
EXPENDITURES					
Current					
General Government	2,225,893	-	-	-	2,225,893
Public Safety	1,988,594	121,961	-	-	2,110,555
Highways and Streets	511,011	-	-	-	511,011
Community Development	252,646	93,622	-	-	346,268
Cultural and Recreation	1,013,979	-	-	-	1,013,979
Capital Outlay	169,545	1,665,030	999,465	-	2,834,040
Debt Service					
Principal	-	-	-	490,000	490,000
Interest and Fiscal Charges	-	-	-	155,383	155,383
TOTAL EXPENDITURES	<u>6,161,668</u>	<u>1,880,613</u>	<u>999,465</u>	<u>645,383</u>	<u>9,687,129</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>619,553</u>	<u>(811,497)</u>	<u>611,609</u>	<u>(449,579)</u>	<u>(29,914)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	107,084	811,497	-	434,497	1,353,078
Transfers Out	(722,834)	-	(497,316)	-	(1,220,150)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(615,750)</u>	<u>811,497</u>	<u>(497,316)</u>	<u>434,497</u>	<u>132,928</u>
NET CHANGE IN FUND BALANCES	<u>3,803</u>	<u>-</u>	<u>114,293</u>	<u>(15,082)</u>	<u>103,014</u>
FUND BALANCES, Beginning	<u>3,108,646</u>	<u>-</u>	<u>782,520</u>	<u>102,210</u>	<u>3,993,376</u>
FUND BALANCES, Ending	<u>\$ 3,112,449</u>	<u>\$ -</u>	<u>\$ 896,813</u>	<u>\$ 87,128</u>	<u>\$ 4,096,390</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$	103,014
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$1,960,670 and capital contributions \$967,626 exceeded depreciation expense (\$1,423,611) in the current year.		1,504,685
Repayments of debt principal are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		490,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in accrued compensated absences.		<u>(23,443)</u>
Change in Net Position of Governmental Activities	\$	<u>2,074,256</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	WATER	WASTEWATER	TOTALS
ASSETS			
Current Assets			
Cash and Investments	\$ 1,586,355	\$ 965,425	\$ 2,551,780
Accounts Receivable	135,938	139,061	274,999
Supplies Inventory	70,124	39,721	109,845
Total Current Assets	1,792,417	1,144,207	2,936,624
Noncurrent Assets			
Interfund Receivables	-	300,000	300,000
Restricted Cash and Investments	100,000	100,000	200,000
Capital Assets, Not Being Depreciated	4,921,094	156,457	5,077,551
Capital Assets, Net of Accumulated Depreciation	4,350,304	6,311,186	10,661,490
Total Noncurrent Assets	9,371,398	6,867,643	16,239,041
TOTAL ASSETS	11,163,815	8,011,850	19,175,665
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	31,183	-	31,183
LIABILITIES			
Current Liabilities			
Accounts Payable	32,135	19,840	51,975
Accrued Salaries	11,680	10,719	22,399
Accrued Interest Payable	35,548	973	36,521
Customer Deposits	28,322	-	28,322
Compensated Absences Payable, Current Portion	29,451	23,620	53,071
Notes and Bonds Payable, Current Portion	542,206	29,141	571,347
Total Current Liabilities	679,342	84,293	763,635
Noncurrent Liabilities			
Interfund Payables	300,000	-	300,000
Compensated Absences Payable	9,817	7,873	17,690
Notes and Bonds Payable	901,241	554,523	1,455,764
Total Noncurrent Liabilities	1,211,058	562,396	1,773,454
TOTAL LIABILITIES	1,890,400	646,689	2,537,089
NET POSITION			
Net Investment in Capital Assets	7,859,134	5,883,979	13,743,113
Restricted for Repair and Replacement	100,000	100,000	200,000
Unrestricted	1,345,464	1,381,182	2,726,646
TOTAL NET POSITION	\$ 9,304,598	\$ 7,365,161	\$ 16,669,759

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
 Year Ended December 31, 2013

	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTALS</u>
OPERATING REVENUES			
Charges for Services	\$ 1,756,872	\$ 1,298,845	\$ 3,055,717
OPERATING EXPENSES			
Administration	291,105	210,526	501,631
Treatment Operations	565,192	595,561	1,160,753
Capital Improvements	3,152	17,016	20,168
Field Services	169,451	89,554	259,005
Customer Service	55,662	29,001	84,663
Depreciation and Amortization	<u>343,351</u>	<u>314,221</u>	<u>657,572</u>
TOTAL OPERATING EXPENSES	<u>1,427,913</u>	<u>1,255,879</u>	<u>2,683,792</u>
NET OPERATING INCOME	<u>328,959</u>	<u>42,966</u>	<u>371,925</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	3,322	3,055	6,377
Interest Expense	<u>(98,132)</u>	<u>(27,654)</u>	<u>(125,786)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(94,810)</u>	<u>(24,599)</u>	<u>(119,409)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	234,149	18,367	252,516
Capital Contributions	618,866	98,120	716,986
Transfers Out	<u>(34,566)</u>	<u>(98,362)</u>	<u>(132,928)</u>
CHANGE IN NET POSITION	818,449	18,125	836,574
NET POSITION, Beginning	<u>8,486,149</u>	<u>7,347,036</u>	<u>15,833,185</u>
NET POSITION, Ending	<u>\$ 9,304,598</u>	<u>\$ 7,365,161</u>	<u>\$ 16,669,759</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

Year Ended December 31, 2013

Increase (Decrease) in Cash and Cash Equivalents

	<u>WATER</u>	<u>WASTEWATER</u>	<u>TOTALS</u>
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 1,754,391	\$ 1,270,275	\$ 3,024,666
Cash Paid to Employees	(501,942)	(455,128)	(957,070)
Cash Paid to Suppliers	(591,384)	(474,606)	(1,065,990)
Net Cash Provided by Operating Activities	<u>661,065</u>	<u>340,541</u>	<u>1,001,606</u>
Cash Flows From Noncapital Financing Activities			
Transfers to Other Funds	(34,566)	(98,362)	(132,928)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(34,566)</u>	<u>(98,362)</u>	<u>(132,928)</u>
Cash Flows From Capital and Related Financing Activities			
Capital Contributions Received	618,866	98,120	716,986
Purchases of Capital Assets	(26,705)	(102,375)	(129,080)
Debt Principal Payments	(511,575)	(298,567)	(810,142)
Debt Interest Payments	(97,419)	(16,826)	(114,245)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(16,833)</u>	<u>(319,648)</u>	<u>(336,481)</u>
Cash Flows From Investing Activities			
Interest Received	3,322	3,055	6,377
Net Increase (Decrease) in Cash and Cash Equivalents	612,988	(74,414)	538,574
CASH AND CASH EQUIVALENTS, Beginning	<u>1,073,367</u>	<u>1,139,839</u>	<u>2,213,206</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,686,355</u>	<u>\$ 1,065,425</u>	<u>\$ 2,751,780</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net Operating Income	\$ 328,959	\$ 42,966	\$ 371,925
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	343,351	314,221	657,572
Changes in Assets and Liabilities			
Accounts Receivable	(5,796)	(28,570)	(34,366)
Supplies Inventory	(17,845)	5,616	(12,229)
Accounts Payable	(239)	1,435	1,196
Accrued Salaries	2,237	2,357	4,594
Customer Deposits	3,315	-	3,315
Compensated Absences Payable	7,083	2,516	9,599
Total Adjustments	<u>332,106</u>	<u>297,575</u>	<u>629,681</u>
Net Cash Provided by Operating Activities	<u>\$ 661,065</u>	<u>\$ 340,541</u>	<u>\$ 1,001,606</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2013

	TRUST	AGENCY
	IVERSON MEMORIAL	UTE PASS HISTORICAL SOCIETY
ASSETS		
Cash and Investments	\$ 100,685	\$ 15,725
LIABILITIES		
Payable to Ute Pass Historical Society	-	15,725
NET POSITION		
Restricted for Iverson Benefits	\$ 100,685	\$ -

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO
STATEMENT OF CHANGES IN NET POSITION
TRUST FUND
Year Ended December 31, 2013

	<u>IVERSON MEMORIAL</u>
ADDITIONS	
Investment Income	\$ <u>6,453</u>
DEDUCTIONS	
Administration Fees	500
Payments to Beneficiaries	<u>3,050</u>
TOTAL DEDUCTIONS	<u>3,550</u>
CHANGE IN NET POSITION	2,903
NET POSITION, Beginning	<u>97,782</u>
NET POSITION, Ending	\$ <u><u>100,685</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Woodland Park, Colorado (the “City”) was formed on January 26, 1891, and became a home rule City in 1976. The City is governed by a Mayor and six-member Council elected by the residents.

The accounting policies of the City conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens, on the City.

Downtown Development Authority - The Downtown Development Authority (the “DDA”) was established by the City Council in September, 2001, to assist with the redevelopment and renovation of the downtown area. The DDA has a separate Board with members appointed by the City Council. Although the DDA is legally separate from the City, the DDA provides services that exclusively benefit the City and the DDA’s primary revenue source, tax increment financing, can only be established by the City. The DDA does not issue separate financial statements and is discretely presented in the City’s financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from legally separate *component units* for which the City is financially accountable.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the City's government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. The agency fund utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Grants Fund* accounts for restricted local, state and federal grant revenues and the related expenditures.

The *Street Capital Improvements Fund* accounts for a dedicated 1% sales tax approved by the electorate for the construction or improvement of streets.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Wastewater Fund* accounts for the financial activities associated with the provision of sewer services.

Additionally, the City reports the following fiduciary funds:

The *Trust Fund* is used to account for the Iverson Memorial Trust assets held by the City in a trustee capacity. The Trust is governed by a trust agreement.

The *Agency Fund* is used to account for activities of the Ute Pass Historical Society. The City holds all assets in a purely custodial capacity.

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents. Investments are reported at fair value.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables/Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

Inventory - Inventories are valued at cost, using the first-in, first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets - Capital assets, which include land, buildings, equipment and all infrastructure owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Collection and Distribution Systems	30 years
Buildings	10 - 50 years
Infrastructure	30 years
Improvements	10 - 20 years
Machinery, Equipment and Vehicles	3 - 15 years

Unearned Revenues - Unearned revenues include grants received before the eligibility requirements specified by the provider have been met and fees received in advance.

Compensated Absences - Employees of the City are allowed to accumulate unused vacation time up to 192 hours and unused sick time up to 248 hours. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time, and for 25% of accrued sick time, at their current rate of pay.

These compensated absences are recognized as current salary costs when earned in the proprietary funds and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Long-Term Obligations - In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenses or expenditures.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. City Council establishes a fund balance commitment through passage of an ordinance, and by policy has granted the City Manager, or the City Manager's designee the authority to assign fund balances based on the intended use of such resources.

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available, the City uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at December 31.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Accountability

At December 31, 2013, the DDA had a deficit net position of \$3,323,270, primarily because existing debt is expected to be paid with tax increment revenues collected in the future.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 3: CASH AND INVESTMENTS

Cash and investments at December 31, 2013, consisted of the following:

Petty Cash	\$ 3,945
Cash Deposits	3,872,888
Investments	<u>1,910,883</u>
 Total	 <u>\$ 5,787,716</u>

Cash and investments are reported in the financial statements as follows:

Primary Government Cash and Investments	\$ 5,359,066
Primary Government Restricted Cash and Investments	200,000
Trust Fund	100,685
Agency Fund	15,725
Component Unit	<u>112,240</u>
 Total	 <u>\$ 5,787,716</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2013, the City had bank deposits of \$3,653,263 collateralized with securities held by the financial institution's agent but not in the City's name.

Investments

State statutes and the City's investment policy specify the investment instruments meeting defined rating, maturity and concentration risk criteria in which the City may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The City had the following investments at December 31, 2013:

Investment Type	S&P Rating	Investment Maturities (in Years)			Fair Value
		Less Than 1	1 - 5	More Than 5	
U.S. Agency Securities	AA+	\$ -	\$ 1,460,539	\$ 10,900	\$ 1,471,439
Invesco Treasury Money Market Fund	AAAm	5	-	-	5
Fidelity Cash Reserves Money Market Fund	Not Rated	141,455	-	-	141,455
Local Government Investment Pools	AAAm	297,984	-	-	297,984
Total		<u>\$ 439,444</u>	<u>\$ 1,460,539</u>	<u>\$ 10,900</u>	<u>\$ 1,910,883</u>

Interest Rate Risk - State statutes limit investments in U.S. Agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. At December 31, 2013, the City held U.S. Agency securities totaling \$100,185 in the Iverson Memorial Trust. The Trust investments are not subject to State statutes.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations.

Concentration of Credit Risk - State statutes generally do not limit the amount the City may invest in one issuer. At December 31, 2013, the City's investments in the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bank and Federal Home Loan Bank represented 35%, 32%, 5% and 5% of total investments, respectively.

Local Government Investment Pools - The City had \$189,467 and \$108,517 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Custodial Credit Risk - At December 31, 2013, the City's investments in U.S. Agency securities were held by the counterparty (broker), but not in the City's name.

Restricted Cash and Investments

At December 31, 2013, the Water and Wastewater Funds held cash and investments of \$100,000 and \$100,000, respectively, restricted for repair and replacement as required by the bond agreements.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 4: INTERFUND BALANCES AND TRANSACTIONS

At December 31, 2013, the General Fund had temporarily subsidized the negative cash balance of the Grants Fund in the amount of \$86,954.

During the year ended December 31, 2012, the Wastewater Fund loaned \$300,000 to the Water Fund to provide resources to fund the operations and maintenance reserve required by the 2001 Water Loan agreement (See Note 7). Loan principal is due in one lump-sum payment on December 1, 2022. Interest payments of \$3,000 are due annually on December 1, through 2022.

Interfund transfers during the year ended December 31, 2013, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
COP Debt Service	General	\$ 292,041
Grants	General	430,793
General	Street Capital Improvements	107,084
Street Debt Service	Street Capital Improvements	89,278
Grants	Street Capital Improvements	300,954
COP Debt Service	Water	34,566
COP Debt Service	Wastewater	18,612
Grants	Wastewater	<u>79,750</u>
Total		<u>\$ 1,353,078</u>

The General, Water and Wastewater Funds provide debt service funding to the COP Debt Service Fund. The Street Capital Improvements Fund revenues are used to pay the debt of the Street Debt Service Fund. The Street Capital Improvements Fund used sales tax revenue to reimburse the General Fund and the Grants Fund for capital purchases. The General and Wastewater Funds provided grant matching amounts to the Grants Fund.

Component Unit

On June 7, 2007, the General Fund loaned the DDA \$1,000,000 for the development of Woodland Station. The loan accrued interest at 4% per annum. In July, 2011, the City and the DDA agreed to extend the loan maturity to August, 2013, and reduced the interest rate to 1% per annum. In July, 2013, the City and the DDA agreed to extend the loan maturity to July 27, 2016, and reduced the interest rate to 0% per annum.

NOTE 5: LAND HELD FOR RESALE

The DDA purchased approximately 10 acres of land which is available for resale. The cost of the land, including design and engineering costs, was \$2,981,556. During the year ended December 31, 2012, the City sold approximately 1.7 acres of the land for \$218,946. During the year ended December 31, 2013, the balance of the land held for resale was reduced by \$89,273 to more accurately reflect its market value.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 6: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2013, is summarized below.

	Balances 12/31/12	Additions	Deletions	Balances 12/31/13
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 3,923,861	\$ 35,040	\$ -	\$ 3,958,901
Construction in Progress	<u>312,587</u>	<u>-</u>	<u>312,587</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>4,236,448</u>	<u>35,040</u>	<u>312,587</u>	<u>3,958,901</u>
Capital Assets, Being Depreciated				
Buildings	5,742,859	-	-	5,742,859
Infrastructure	22,756,782	3,002,401	-	25,759,183
Improvements	5,543,598	137,638	9,200	5,672,036
Machinery and Equipment	<u>2,826,087</u>	<u>65,804</u>	<u>36,369</u>	<u>2,855,522</u>
Total Capital Assets, Being Depreciated	<u>36,869,326</u>	<u>3,205,843</u>	<u>45,569</u>	<u>40,029,600</u>
Less Accumulated Depreciation				
Buildings	(2,591,353)	(186,029)	-	(2,777,382)
Infrastructure	(8,024,667)	(770,209)	-	(8,794,876)
Improvements	(2,452,023)	(250,300)	(9,200)	(2,693,123)
Machinery and Equipment	<u>(1,946,610)</u>	<u>(217,073)</u>	<u>(36,369)</u>	<u>(2,127,314)</u>
Total Accumulated Depreciation	<u>(15,014,653)</u>	<u>(1,423,611)</u>	<u>(45,569)</u>	<u>(16,392,695)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,854,673</u>	<u>1,782,232</u>	<u>-</u>	<u>23,636,905</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,091,121</u>	<u>\$ 1,817,272</u>	<u>\$ 312,587</u>	<u>\$ 27,595,806</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land and Improvements	\$ 186,055	\$ -	\$ -	\$ 186,055
Water Rights	4,840,611	26,705	-	4,867,316
Construction in Progress	<u>18,080</u>	<u>6,100</u>	<u>-</u>	<u>24,180</u>
Total Capital Assets, Not Being Depreciated	<u>5,044,746</u>	<u>32,805</u>	<u>-</u>	<u>5,077,551</u>
Capital Assets, Being Depreciated				
Collection and Distribution Systems	20,548,905	35,262	-	20,584,167
Equipment and Vehicles	<u>1,413,196</u>	<u>61,013</u>	<u>30,193</u>	<u>1,444,016</u>
Total Capital Assets, Being Depreciated	<u>21,962,101</u>	<u>96,275</u>	<u>30,193</u>	<u>22,028,183</u>
Less Accumulated Depreciation				
Collection and Distribution Systems	(9,803,676)	(589,767)	-	(10,393,443)
Equipment and Vehicles	<u>(935,638)</u>	<u>(67,805)</u>	<u>(30,193)</u>	<u>(973,250)</u>
Total Accumulated Depreciation	<u>(10,739,314)</u>	<u>(657,572)</u>	<u>(30,193)</u>	<u>(11,366,693)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,222,787</u>	<u>(561,297)</u>	<u>-</u>	<u>10,661,490</u>
Business-Type Activities Capital Assets, Net	<u>\$ 16,267,533</u>	<u>\$ (528,492)</u>	<u>\$ -</u>	<u>\$ 15,739,041</u>

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General Government	\$ 46,453
Public Safety	120,109
Highway and Streets	924,375
Community Development	181,417
Cultural and Recreation	<u>151,257</u>
Total	<u>\$ 1,423,611</u>
Business-Type Activities	
Water	\$ 343,351
Wastewater	<u>314,221</u>
Total	<u>\$ 657,572</u>

NOTE 7: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2013.

	Balances <u>12/31/12</u>	<u>Additions</u>	<u>Payments</u>	Balances <u>12/31/13</u>	Due Within <u>One Year</u>
1999 Certificates of Participation	\$ 1,910,000	\$ -	\$ 250,000	\$ 1,660,000	\$ 260,000
1998 General Obligation Bonds	910,000	-	165,000	745,000	175,000
1995 General Obligation Bonds	230,000	-	75,000	155,000	75,000
Compensated Absences	<u>228,371</u>	<u>314,042</u>	<u>290,599</u>	<u>251,814</u>	<u>188,861</u>
Total	<u>\$ 3,278,371</u>	<u>\$ 314,042</u>	<u>\$ 780,599</u>	<u>\$ 2,811,814</u>	<u>\$ 698,861</u>

1999 Certificates of Participation were issued to finance the construction of a public works facility and a police station. Principal payments are due annually on December 1, through 2019. Interest payments are due semi-annually on June 1 and December 1. Interest accrues at rates ranging from 3.4% to 5%.

1998 Limited Tax General Obligation Bonds were issued to fund drainage improvements. Principal payments are due annually on December 1, through 2017. Interest payments are due semi-annually on June 1 and December 1. Interest accrues at rates ranging from 4% to 5%.

1995 Limited Tax General Obligation Bonds were issued to finance improvements to the City's street system. Principal payments are due annually on December 1, through 2015. Interest payments are due semi-annually on June 1 and December 1. Interest accrues at rates ranging from 4.2% to 6.25%.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 7: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Annual debt service requirements for the outstanding bonds at December 31, 2013, were as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 510,000	\$ 128,898	\$ 638,898
2015	510,000	103,500	613,500
2016	455,000	77,000	532,000
2017	480,000	54,250	534,250
2018	295,000	30,250	325,250
2019	<u>310,000</u>	<u>15,500</u>	<u>325,500</u>
Total	<u>\$ 2,560,000</u>	<u>\$ 409,398</u>	<u>\$ 2,969,398</u>

Compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund.

Business-Type Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2013.

	<u>Balances</u> <u>12/31/12</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances</u> <u>12/31/13</u>	<u>Due Within</u> <u>One Year</u>
2005 Water Revenue Bonds	\$ 835,000	\$ -	\$ 265,000	\$ 570,000	\$ 280,000
2004 Wastewater Revenue Bonds	270,000	-	270,000	-	-
2010 Wastewater Loan	612,231	-	28,567	583,664	29,141
2003 Water Loan	655,077	-	205,456	449,621	219,426
2001 Water Loan	464,945	-	41,119	423,826	42,780
Compensated Absences	<u>61,162</u>	<u>86,751</u>	<u>77,152</u>	<u>70,761</u>	<u>53,071</u>
Total	<u>\$ 2,898,415</u>	<u>\$ 86,751</u>	<u>\$ 887,294</u>	<u>\$ 2,097,872</u>	<u>\$ 624,418</u>

2005 Water Utility Revenue Refunding Bonds were issued to refund the 1995 Water Utility Revenue Bonds. Principal payments are due annually on December 1, and interest payments are due semi-annually on June 1 and December 1. Interest accrues at rates ranging from 3% to 4% and the bonds mature on December 1, 2015.

2004 Wastewater Utility Revenue Refunding Bonds were issued to refund the 1994 Wastewater Utility Revenue Bonds. Principal payments were due annually on June 1, and interest payments were due semi-annually on June 1 and December 1. Interest accrued at rates ranging from 3% to 3.5%. The bonds matured and were paid in full on December 1, 2013.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 7: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

During 2010, the City obtained loan financing from the Colorado Water Resources and Power Development Authority (CWRPDA) to expand the wastewater treatment plant. Semi-annual principal and interest payments of \$20,335 are due beginning December 1, 2011, through 2030. Interest accrues at 2% per annum.

During 2003, the City obtained a loan from Ronald and Dean Bauer to purchase water rights. Interest accrues at 6.8% per annum on the unpaid principal and interest. Interest payments are due annually beginning March 31, 2006, and principal payments began in 2009, through 2015.

During 2001, the City obtained loan financing from the CWRPDA to improve the water system. Annual principal and interest payments of \$59,310 are due through May 1, 2022. Interest accrues at 4% per annum.

The 2005 Water Utility Revenue Refunding Bonds and the 2001 CWRPDA loan are payable solely from revenues of the water utility system, after deduction of operating and maintenance costs. During the year ended December 31, 2013, net revenues of \$1,294,498 were available to pay annual debt service of \$357,710. Remaining debt service at December 31, 2013, was \$1,108,538.

The 2004 Wastewater Utility Revenue Refunding Bonds and the 2010 CWRPDA loan are payable solely from revenues of the wastewater utility system, after deduction of operating and maintenance costs. During the year ended December 31, 2013, net revenues of \$458,362 were available to pay annual debt service of \$315,395. Remaining debt service at December 31, 2013, was \$691,390.

Annual debt service requirements for the business-type activities bonds and loans at December 31, 2013, were as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 571,347	\$ 81,433	\$ 652,780
2015	594,433	52,996	647,429
2016	76,632	23,348	99,980
2017	79,112	20,868	99,980
2018	81,679	18,301	99,980
2019 - 2023	359,479	51,459	410,938
2024 - 2028	185,083	18,267	203,350
2029 - 2030	<u>79,346</u>	<u>1,994</u>	<u>81,340</u>
Total	<u>\$ 2,027,111</u>	<u>\$ 268,666</u>	<u>\$ 2,295,777</u>

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 7: LONG-TERM DEBT (Continued)

Component Unit

Following is a summary of long-term debt transactions for the year ended December 31, 2013.

	<u>Balances</u> <u>12/31/12</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances</u> <u>12/31/13</u>	<u>Due Within</u> <u>One Year</u>
2012 Tax Increment Revenue Bonds	\$ 3,354,000	\$ -	\$ 65,000	\$ 3,289,000	\$ 125,000
Compensated Absences	508	2,953	2,014	1,447	1,085
Total	<u>\$ 3,354,508</u>	<u>\$ 2,953</u>	<u>\$ 67,014</u>	<u>\$ 3,290,447</u>	<u>\$ 126,085</u>

On June 21, 2012, the DDA issued \$3,354,000 Tax Increment Revenue Refunding Bonds, Series 2012, to refund the outstanding Tax Increment Revenue Refunding Bonds, Series 2008, originally issued to purchase development property, and to finance improvements within the DDA. The current refunding resulted in no economic gain. Interest accrues on the bonds at 3.97% per annum, with payments due semi-annually in June and December. Principal payments are due annually in December, through 2028.

During the year ended December 31, 2013, property tax increment revenues of \$314,420 were available to pay annual debt service of \$190,534. Future debt service requirements for the outstanding bonds were as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 125,000	\$ 132,387	\$ 257,387
2015	145,000	127,355	272,355
2016	155,000	121,852	276,852
2017	165,000	115,280	280,280
2018	175,000	108,639	283,639
2019 - 2023	1,025,000	399,741	1,424,741
2024 - 2028	1,499,000	200,670	1,699,670
Total	<u>\$ 3,289,000</u>	<u>\$ 1,205,924</u>	<u>\$ 4,494,924</u>

NOTE 8: PUBLIC ENTITY RISK POOL

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 8: PUBLIC ENTITY RISK POOL (Continued)

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

NOTE 9: RETIREMENT COMMITMENTS

Police and General Employee Money Purchase Pension Plans

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of police officers and to a similar plan for all other City employees. The Plans are administered by Pension Management Associates, Inc. The contribution requirements of Plan participants and the City are established and may be amended by the City Council.

Police Plan - All sworn police employees whose job duties require no less than 1,600 hours of employment each year shall be eligible to participate in the Plan. The City is required to contribute 8% of each participating employee's compensation, and each employee must contribute a matching amount. Employees are fully vested after five years of service. During the year ended December 31, 2013, the City and employee contributions were \$80,442 and \$80,442, respectively, equal to the required contributions.

General Employee Plan - All employees, other than sworn police, are eligible to participate in the Plan on the first day of employment. The City is required to contribute 5% of each participant's compensation to the Plan, and employees may contribute a matching amount. Employees become fully vested after five years of service. During the year ended December 31, 2013, the City and employee contributions were \$153,505 and \$140,011, respectively, equal to the required contributions.

CITY OF WOODLAND PARK, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 10: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2013, significant amounts of grant expenditures have not been audited but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On April 5, 1994, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2013, the emergency reserve, of \$261,000, was reported as restricted fund balance in the General Fund.

Litigation

The City is involved in various pending or threatened litigation. The outcome of the litigation cannot be predicted at this time.

NOTE 11: CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2013, the City adopted the standards of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result, net position of the City and the DDA at December 31, 2012, was restated to remove debt issuance costs capitalized in previous years, as follows.

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Business-Type Activities</u>	<u>Component Unit</u>
Net Position, December 31, 2012, as Originally Stated	\$ 8,513,668	\$ 7,356,414	\$ 15,870,082	\$ (2,340,332)
Debt Issuance Costs, Net of Accumulated Amortization	<u>(27,519)</u>	<u>(9,378)</u>	<u>(36,897)</u>	<u>(54,132)</u>
Net Position, December 31, 2012, as Restated	<u>\$ 8,486,149</u>	<u>\$ 7,347,036</u>	<u>\$ 15,833,185</u>	<u>\$ (2,394,464)</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes	\$ 5,219,585	\$ 5,219,585	\$ 5,539,768	\$ 320,183
Licenses and Permits	89,500	89,500	95,347	5,847
Intergovernmental	505,618	505,618	526,980	21,362
Charges for Services	423,826	423,826	376,957	(46,869)
Fines and Forfeitures	38,000	38,000	24,734	(13,266)
Investment Income	5,006	5,006	6,224	1,218
Miscellaneous	110,491	110,491	211,211	100,720
TOTAL REVENUES	6,392,026	6,392,026	6,781,221	389,195
EXPENDITURES				
General Government				
Legislative	219,500	219,500	182,594	36,906
Administration	444,625	444,625	344,378	100,247
Municipal Court	51,193	51,193	48,639	2,554
General Support	499,166	521,866	443,016	78,850
Finance	285,120	285,120	241,626	43,494
Information Systems	107,050	107,050	98,458	8,592
Economic Development	191,281	191,281	198,097	(6,816)
Public Works Administration	331,142	331,142	316,606	14,536
Fleet Maintenance	409,514	409,514	350,279	59,235
Cemetery	750	750	2,200	(1,450)
Total General Government	2,539,341	2,562,041	2,225,893	336,148
Public Safety				
Police	1,616,581	1,616,581	1,641,544	(24,963)
Special Gaming Impact	337,888	337,888	347,050	(9,162)
Total Public Safety	1,954,469	1,954,469	1,988,594	(34,125)
Highways and Streets				
Street Operations	533,362	533,362	511,011	22,351
Community Development				
Planning	268,818	268,818	252,646	16,172
Cultural and Recreation				
Buildings and Grounds	652,578	652,578	632,631	19,947
Parks and Recreation	334,577	334,577	266,054	68,523
Cultural Center	108,389	108,389	115,294	(6,905)
Total Cultural and Recreation	1,095,544	1,095,544	1,013,979	81,565
Capital Outlay				
Capital Outlay	308,865	308,865	169,545	139,320
TOTAL EXPENDITURES	6,700,399	6,723,099	6,161,668	561,431

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(308,373)</u>	<u>(331,073)</u>	<u>619,553</u>	<u>950,626</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	429,190	429,190	107,084	(322,106)
Transfers Out	<u>(725,115)</u>	<u>(725,115)</u>	<u>(722,834)</u>	<u>2,281</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(295,925)</u>	<u>(295,925)</u>	<u>(615,750)</u>	<u>(319,825)</u>
NET CHANGE IN FUND BALANCE	(604,298)	(626,998)	3,803	630,801
FUND BALANCE, Beginning	<u>2,870,951</u>	<u>2,870,951</u>	<u>3,108,646</u>	<u>237,695</u>
FUND BALANCE, Ending	<u>\$ 2,266,653</u>	<u>\$ 2,243,953</u>	<u>\$ 3,112,449</u>	<u>\$ 868,496</u>

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended December 31, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,109,962	\$ 2,121,797	\$ 1,068,113	\$ (1,053,684)
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>1,003</u>	<u>(497)</u>
TOTAL REVENUES	<u>2,111,462</u>	<u>2,123,297</u>	<u>1,069,116</u>	<u>(1,054,181)</u>
EXPENDITURES				
Current				
Public Safety	106,225	118,060	121,961	(3,901)
Community Development	145,134	145,134	93,622	51,512
Capital Outlay	<u>2,713,370</u>	<u>2,793,455</u>	<u>1,665,030</u>	<u>1,128,425</u>
TOTAL EXPENDITURES	<u>2,964,729</u>	<u>3,056,649</u>	<u>1,880,613</u>	<u>1,176,036</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(853,267)	(933,352)	(811,497)	121,855
OTHER FINANCING SOURCES				
Transfers In	<u>853,267</u>	<u>933,352</u>	<u>811,497</u>	<u>(121,855)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditors' Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2013

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting

Budgets are adopted for all funds of the City in accordance with State statutes. Fiduciary fund budgets are not required and have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures but depreciation and amortization are not budgeted.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at year end.

Legal Compliance

For the year ended December 31, 2013, the budget adopted for the Drainage Debt Service Fund allowed for expenditures in excess of the resources available. This may be a violation State statutes.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF WOODLAND PARK, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2013

	DEBT SERVICE FUNDS			TOTALS
	STREET	DRAINAGE	COP	
ASSETS				
Cash and Investments	\$ -	\$ 73,656	\$ -	\$ 73,656
Accounts Receivable	-	13,472	-	13,472
 TOTAL ASSETS	 \$ -	 \$ 87,128	 \$ -	 \$ 87,128
FUND BALANCES				
Committed to Stormwater Management Activities	-	87,128	-	87,128
 TOTAL FUND BALANCES	 \$ -	 \$ 87,128	 \$ -	 \$ 87,128

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 Year Ended December 31, 2013

	DEBT SERVICE FUNDS			TOTALS
	STREET	DRAINAGE	COP	
REVENUES				
Charges for Services	\$ -	\$ 195,082	\$ -	\$ 195,082
Investment Income	97	384	241	722
TOTAL REVENUES	97	195,466	241	195,804
EXPENDITURES				
Debt Service				
Principal	75,000	165,000	250,000	490,000
Interest and Fiscal Charges	14,375	45,548	95,460	155,383
TOTAL EXPENDITURES	89,375	210,548	345,460	645,383
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(89,278)	(15,082)	(345,219)	(449,579)
OTHER FINANCING SOURCES				
Transfers In	89,278	-	345,219	434,497
NET CHANGE IN FUND BALANCES	-	(15,082)	-	(15,082)
FUND BALANCES, Beginning	-	102,210	-	102,210
FUND BALANCES, Ending	\$ -	\$ 87,128	\$ -	\$ 87,128

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE
STREET DEBT SERVICE FUND
 Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Investment Income	\$ 150	\$ 97	\$ (53)
EXPENDITURES			
Debt Service			
Principal	75,000	75,000	-
Interest	14,375	14,375	-
TOTAL EXPENDITURES	89,375	89,375	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(89,225)	(89,278)	(53)
OTHER FINANCING SOURCES			
Transfers In	89,225	89,278	53
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE
DRAINAGE DEBT SERVICE FUND
 Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	\$ 128,475	\$ 195,082	\$ 66,607
Investment Income	100	384	284
TOTAL REVENUES	<u>128,575</u>	<u>195,466</u>	<u>66,891</u>
EXPENDITURES			
Debt Service			
Principal	165,000	165,000	-
Interest	45,170	45,170	-
Paying Agent Fees	378	378	-
TOTAL EXPENDITURES	<u>210,548</u>	<u>210,548</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(81,973)	(15,082)	66,891
FUND BALANCE, Beginning	<u>72,484</u>	<u>102,210</u>	<u>29,726</u>
FUND BALANCE, Ending	<u>\$ (9,489)</u>	<u>\$ 87,128</u>	<u>\$ 96,617</u>

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE

COP DEBT SERVICE FUND

Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Investment Income	\$ 150	\$ 241	\$ 91
EXPENDITURES			
Debt Service			
Principal	250,000	250,000	-
Interest	93,460	93,460	-
Paying Agent Fees	2,000	2,000	-
TOTAL EXPENDITURES	345,460	345,460	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(345,310)	(345,219)	91
OTHER FINANCING SOURCES			
Transfers In	345,310	345,219	(91)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE
STREET CAPITAL IMPROVEMENTS FUND
 Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Sales Taxes	\$ 1,421,423	\$ 1,541,843	\$ 120,420
Investment Income	4,600	2,845	(1,755)
Miscellaneous	111,753	66,386	(45,367)
 TOTAL REVENUES	 <u>1,537,776</u>	 <u>1,611,074</u>	 <u>73,298</u>
EXPENDITURES			
Capital Outlay	1,150,586	999,465	151,121
 TOTAL EXPENDITURES	 <u>1,150,586</u>	 <u>999,465</u>	 <u>151,121</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 387,190	 611,609	 224,419
OTHER FINANCING SOURCES (USES)			
Transfers Out	(468,442)	(497,316)	(28,874)
 NET CHANGE IN FUND BALANCE	 (81,252)	 114,293	 195,545
FUND BALANCE, Beginning	717,552	782,520	64,968
FUND BALANCE, Ending	\$ <u>636,300</u>	\$ <u>896,813</u>	\$ <u>260,513</u>

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER FUND

Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	\$ 1,722,401	\$ 1,756,872	\$ 34,471
Capital Contributions	69,132	618,866	549,734
Investment Income	1,100	3,322	2,222
TOTAL REVENUES	<u>1,792,633</u>	<u>2,379,060</u>	<u>586,427</u>
EXPENDITURES			
Service Operating Expenses	1,145,061	1,084,562	60,499
Capital Outlay	17,152	26,705	(9,553)
Interest Expense	125,399	82,539	42,860
Debt Principal	511,575	511,575	-
Transfers Out	34,566	34,566	-
TOTAL EXPENDITURES	<u>1,833,753</u>	<u>1,739,947</u>	<u>93,806</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (41,120)</u>	639,113	<u>\$ 680,233</u>
RECONCILIATION TO GAAP BASIS			
Depreciation		(343,351)	
Amortization		(15,593)	
Capital Outlay		26,705	
Debt Principal		<u>511,575</u>	
CHANGE IN NET POSITION, GAAP Basis		<u>\$ 818,449</u>	

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BUDGETARY COMPARISON SCHEDULE
WASTEWATER FUND
 Year Ended December 31, 2013

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	\$ 1,276,896	\$ 1,298,845	\$ 21,949
Capital Contributions	37,884	98,120	60,236
Investment Income	5,400	3,055	(2,345)
TOTAL REVENUES	<u>1,320,180</u>	<u>1,400,020</u>	<u>79,840</u>
EXPENDITURES			
Service Operating Expenses	928,605	941,658	(13,053)
Capital Outlay	279,198	102,375	176,823
Interest Expense	38,873	16,385	22,488
Debt Principal	300,688	298,567	2,121
Transfers Out	18,612	98,362	(79,750)
TOTAL EXPENDITURES	<u>1,565,976</u>	<u>1,457,347</u>	<u>108,629</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (245,796)</u>	(57,327)	<u>\$ 188,469</u>
RECONCILIATION TO GAAP BASIS			
Depreciation		(314,221)	
Amortization		(11,269)	
Capital Outlay		102,375	
Debt Principal		<u>298,567</u>	
CHANGE IN NET POSITION, GAAP Basis		<u>\$ 18,125</u>	

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

Year Ended December 31, 2013

	<u>BALANCE</u> 12/31/12	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 12/31/13
Ute Pass Historical Society				
ASSETS				
Cash and Investments	\$ <u>15,682</u>	\$ <u>43</u>	\$ <u>-</u>	\$ <u>15,725</u>
LIABILITIES				
Payable to Ute Pass Historical Society	\$ <u>15,682</u>	\$ <u>43</u>	\$ <u>-</u>	\$ <u>15,725</u>

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

BALANCE SHEET
COMPONENT UNIT
 December 31, 2013

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>
ASSETS	
Cash and Investments	\$ 112,240
Accounts Receivable	290
Taxes Receivable	346,014
Land Held for Resale	<u>1,060,194</u>
TOTAL ASSETS	\$ <u>1,518,738</u>
LIABILITIES	
Accounts Payable	\$ 65,885
Accrued Salaries	1,186
Due to Primary Government	<u>1,000,000</u>
TOTAL LIABILITIES	<u>1,067,071</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>346,014</u>
FUND BALANCE	
Nonspendable Land Held for Resale	1,060,194
Unrestricted, Unassigned	<u>(954,541)</u>
TOTAL FUND BALANCE	<u>105,653</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ <u>1,518,738</u>
Amounts Reported for the Component Unit in the Statement of Net Position are Different Because:	
Total Fund Balance of Component Unit	\$ 105,653
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds. This amount includes bonds payable (\$3,289,000), compensated absences (\$1,447), loss on debt refunding \$56,723 and accrued interest payable (\$195,199).	<u>(3,428,923)</u>
Total Net Position of Component Unit	\$ <u>(3,323,270)</u>

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
COMPONENT UNIT

Year Ended December 31, 2013

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>
REVENUES	
Property Taxes	\$ 314,420
Investment Income	<u>1,572</u>
TOTAL REVENUES	<u>315,992</u>
EXPENDITURES	
General Government	115,216
Capital Outlay	967,626
Debt Service	
Principal	65,000
Interest and Fiscal Charges	<u>125,534</u>
TOTAL EXPENDITURES	<u>1,273,376</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(957,384)
OTHER FINANCING SOURCES (USES)	
Loss in Value of Land Held for Resale	<u>(89,273)</u>
NET CHANGE IN FUND BALANCE	(1,046,657)
FUND BALANCE, Beginning	<u>1,152,310</u>
FUND BALANCE, Ending	<u>\$ 105,653</u>

Amounts Reported for the Component Unit in the Statement of Activities are Different Because:

Net Change in Fund Balance of Component Unit	\$ (1,046,657)
Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	65,000
Proceeds from debt issued and related costs are revenues and expenditures in governmental funds, but are long-term liabilities and assets in the statement of net position and do not affect the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items: amortization of loss on debt refunding (\$3,782) and the change in accrued interest payable \$57,572.	53,790
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in accrued compensated absences.	<u>(939)</u>
Change in Net Position of Component Unit	<u>\$ (928,806)</u>

See the accompanying Independent Auditors' Report.

STATISTICAL SECTION

CITY OF WOODLAND PARK, COLORADO

STATISTICAL SECTION

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Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	44-48
Revenue Capacity These schedules contain information to help th reader assess the City's most significant local revenue sources.	49-56
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	57-60
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	61
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	62-64

CITY OF WOODLAND PARK, COLORADO

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Unaudited)

TABLE 1

(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 12,816,941	\$ 14,402,123	\$ 15,517,578	\$ 16,960,335	\$ 20,969,225	\$ 21,238,820	\$ 21,456,554	\$ 22,033,327	\$ 23,041,121	\$ 25,035,806
Restricted for:										
Repair and Replacement	119,773	119,773	-	-	-	-	-	-	-	-
Emergencies	157,000	177,000	185,000	230,000	210,000	238,000	247,000	255,000	255,000	261,000
Street Improvements	-	-	-	-	-	-	-	761,463	782,520	896,813
Unrestricted	1,508,605	1,353,440	1,770,336	1,914,380	850,297	1,241,053	2,364,587	2,218,969	2,727,485	2,686,763
Total governmental activities net position	14,602,319	16,052,336	17,472,914	19,104,715	22,029,522	22,717,873	24,068,141	25,268,759	26,806,126	28,880,382
Business-type activities										
Net investment in capital assets	10,980,123	12,071,646	12,465,342	12,403,335	12,659,638	12,625,108	12,716,531	13,343,051	13,488,325	13,743,113
Restricted for:										
Repair and Replacement	-	-	-	-	-	-	150,000	150,000	150,000	200,000
Unrestricted	2,033,086	1,842,940	2,029,820	2,203,131	2,237,502	2,181,977	2,114,782	1,761,536	2,194,860	2,726,646
Total business-type activities net position	13,013,209	13,914,586	14,495,162	14,606,466	14,897,140	14,807,085	14,981,313	15,254,587	15,833,185	16,669,759
Primary government										
Net investment in capital assets	23,797,064	26,473,769	27,982,920	29,363,670	33,628,863	33,863,928	34,173,085	35,376,378	36,529,446	38,778,919
Restricted for:										
Repair and Replacement	119,773	119,773	-	-	-	-	150,000	150,000	150,000	200,000
Emergencies	157,000	177,000	185,000	230,000	210,000	238,000	247,000	255,000	255,000	261,000
Street Improvements	-	-	-	-	-	-	-	761,463	782,520	896,813
Unrestricted	3,541,691	3,196,380	3,800,156	4,117,511	3,087,799	3,423,030	4,479,369	3,980,505	4,922,345	5,413,409
Total primary government net position	\$ 27,615,528	\$ 29,966,922	\$ 31,968,076	\$ 33,711,181	\$ 36,926,662	\$ 37,524,958	\$ 39,049,454	\$ 40,523,346	\$ 42,639,311	\$ 45,550,141

Note: Restricted for Street Improvements is presented as GASB 54 was adopted in 2011.

Note: The City adopted GASB 65 for the year ended December 31, 2013. Information for 2012 has been restated.

Source: City of Woodland Park, Colorado, audited financial statements, 2004-2013

CITY OF WOODLAND PARK, COLORADO

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Unaudited)

TABLE 2

(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program Expenses										
Governmental Activities										
General Government	\$ 1,635,400	\$ 1,827,516	\$ 2,078,256	\$ 2,162,638	\$ 2,047,717	\$ 2,414,869	\$ 2,028,756	\$ 1,868,954	\$ 2,130,663	\$ 2,295,789
Public Safety	1,547,455	1,724,021	1,791,415	1,928,012	1,949,302	2,150,835	2,080,726	2,060,883	2,097,898	2,223,584
Highways and Streets	973,671	1,021,266	1,172,016	922,673	1,757,036	1,359,627	1,367,479	1,411,701	1,335,940	2,329,999
Community Development	393,558	1,511,671	454,561	127,043	245,467	500,502	541,293	550,779	571,603	513,522
Culture and Recreation	931,972	896,724	1,015,058	1,046,619	1,101,797	1,177,355	1,117,289	1,205,709	1,122,934	1,165,236
Interest on Long-term Debt	433,913	409,220	383,921	358,480	330,975	299,512	266,398	230,701	190,994	155,383
Total Governmental Activities Program Expenses	5,915,969	7,390,418	6,895,227	6,545,465	7,432,294	7,902,700	7,401,941	7,328,727	7,450,032	8,683,513
Business-type Activities										
Water	1,344,543	1,296,275	1,298,950	1,305,318	1,526,133	1,463,592	1,439,397	1,584,478	1,601,282	1,526,045
Wastewater	1,012,175	1,093,015	988,675	989,852	1,061,820	1,075,631	1,094,706	1,185,661	1,241,030	1,283,533
Total Business-type Activities Program Expenses	2,356,718	2,389,290	2,287,625	2,295,170	2,587,953	2,539,223	2,534,103	2,770,139	2,842,312	2,809,578
Total Primary Government Program Expenses	\$ 8,272,687	\$ 9,779,708	\$ 9,182,852	\$ 8,840,635	\$ 10,020,247	\$ 10,441,923	\$ 9,936,044	\$ 10,098,866	\$ 10,292,344	\$ 11,493,091
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 468,116	\$ 115,364	\$ 125,691	\$ 123,001	\$ 119,587	\$ 115,344	\$ 107,714	\$ 113,701	\$ 126,279	\$ 111,465
Public Safety	24,824	40,821	31,652	48,637	51,742	53,462	45,681	69,427	66,770	42,250
Highways and Streets	291,400	148,003	96,025	42,689	45,451	136,546	141,399	169,881	502,435	199,487
Community Development	-	107,027	67,802	39,924	58,172	16,425	79,404	38,178	19,882	192,049
Culture and Recreation	-	202,017	209,214	231,491	245,812	192,982	201,982	195,193	181,652	146,869
Operating Grants and Contributions	691,928	727,478	582,240	617,611	667,399	594,035	567,525	523,600	497,904	492,268
Capital Grants and Contributions	2,293,669	457,939	850,469	379,283	1,902,661	335,047	185,521	315,899	523,552	1,967,348
Total Governmental Activities Program Revenues	3,769,937	1,798,649	1,963,093	1,482,636	3,090,824	1,443,841	1,329,226	1,425,879	1,918,474	3,151,736
Business-type Activities										
Water	1,303,387	1,316,075	1,333,097	1,372,960	1,586,515	1,461,837	1,707,197	1,708,335	1,887,485	1,756,872
Wastewater	988,000	1,093,585	1,011,275	1,049,441	1,204,938	1,228,622	1,242,757	1,250,292	1,343,318	1,298,845
Capital Grants and Contributions	1,164,757	1,140,020	831,720	617,995	392,682	107,712	78,722	132,384	290,310	716,986
Total Business-type Activities Program Revenues	3,456,144	3,549,680	3,176,092	3,040,396	3,184,135	2,798,171	3,028,676	3,091,011	3,521,113	3,772,703
Total Primary Government Program Revenues	\$ 7,226,081	\$ 5,348,329	\$ 5,139,185	\$ 4,523,032	\$ 6,274,959	\$ 4,242,012	\$ 4,357,902	\$ 4,516,890	\$ 5,439,587	\$ 6,924,439
Net (Expense)/Revenue										
Governmental Activities	\$ (2,146,032)	\$ (5,591,769)	\$ (4,932,134)	\$ (5,062,829)	\$ (4,341,470)	\$ (6,458,859)	\$ (6,072,715)	\$ (5,902,848)	\$ (5,531,558)	\$ (5,531,777)
Business-type Activities	1,099,426	1,160,390	888,467	745,226	596,182	258,948	494,573	320,872	678,801	963,125
Total Primary Government Net Expense	\$ (1,046,606)	\$ (4,431,379)	\$ (4,043,667)	\$ (4,317,603)	\$ (3,745,288)	\$ (6,199,911)	\$ (5,578,142)	\$ (5,581,976)	\$ (4,852,757)	\$ (4,568,652)

TABLE 2
(continued)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 1,361,288	\$ 1,282,190	\$ 1,443,919	\$ 1,478,778	\$ 1,715,708	\$ 1,804,233	\$ 1,828,491	\$ 1,810,638	\$ 1,700,858	\$ 1,709,020
Specific Ownership Taxes	172,765	173,576	179,980	183,586	172,998	161,438	162,551	141,387	145,513	142,223
Sales and Use Taxes	3,309,296	3,485,749	3,733,961	4,007,988	4,381,884	4,182,380	4,448,716	4,444,745	4,555,160	4,951,553
Franchise Taxes	221,891	268,471	281,179	250,822	237,160	282,322	264,104	268,954	256,671	278,815
Intergovernmental not Restricted to Specific Programs	22,536	21,491	27,085	40,107	64,907	118,109	76,045	105,720	100,613	103,103
Investment Income	24,444	89,749	104,287	99,152	57,213	10,593	8,999	7,597	7,300	9,791
Other Revenues	415,355	932,493	194,466	239,624	276,611	206,581	299,536	270,841	249,383	278,600
Transfers	294,359	351,721	387,835	394,573	359,796	381,554	334,541	53,584	53,427	132,928
Total Governmental Activities	5,821,934	6,605,440	6,352,712	6,694,630	7,266,277	7,147,210	7,422,983	7,103,466	7,068,925	7,606,033
Business-type Activities:										
Investment Earnings	60,777	92,708	79,944	86,554	54,288	32,551	14,196	5,986	8,672	6,377
Transfers	(294,359)	(351,721)	(387,835)	(394,573)	(359,796)	(381,554)	(334,541)	(53,584)	(53,427)	(132,928)
Total Business-type Activities	(233,582)	(259,013)	(307,891)	(308,019)	(305,508)	(349,003)	(320,345)	(47,598)	(44,755)	(126,551)
Total Primary Government	\$ 5,588,352	\$ 6,346,427	\$ 6,044,821	\$ 6,386,611	\$ 6,960,769	\$ 6,798,207	\$ 7,102,638	\$ 7,055,868	\$ 7,024,170	\$ 7,479,482
Change in Net Position										
Government Activities	\$ 3,675,902	\$ 1,013,671	\$ 1,420,578	\$ 1,631,801	\$ 2,924,807	\$ 688,351	\$ 1,350,268	\$ 1,200,618	\$ 1,537,367	\$ 2,074,256
Business-type Activities	865,844	901,377	580,576	437,207	290,674	(90,055)	174,228	273,274	634,046	836,574
Total Primary Government	\$ 4,541,746	\$ 1,915,048	\$ 2,001,154	\$ 2,069,008	\$ 3,215,481	\$ 598,296	\$ 1,524,496	\$ 1,473,892	\$ 2,171,413	\$ 2,910,830

Note: The City adopted GASB 65 for the year ended December 31, 2013. Information for 2012 has been restated.
Source: City of Woodland Park, Colorado, audited financial statements, 2004-2013

CITY OF WOODLAND PARK, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 3

(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	-	-	-	-	-	-	-	\$ 1,154,772	\$ 1,153,129	\$ 1,155,084
Restricted	\$ 241,804	\$ 275,418	\$ 274,091	\$ 1,350,246	\$ 1,373,164	\$ 1,440,453	\$ 1,428,626	255,000	255,000	261,000
Unrestricted	1,513,492	1,546,668	1,655,983	702,321	335,358	153,860	970,383	1,266,686	1,700,517	1,696,365
Total general fund	<u>\$ 1,755,296</u>	<u>\$ 1,822,086</u>	<u>\$ 1,930,074</u>	<u>\$ 2,052,567</u>	<u>\$ 1,708,522</u>	<u>\$ 1,594,313</u>	<u>\$ 2,399,009</u>	<u>\$ 2,676,458</u>	<u>\$ 3,108,646</u>	<u>\$ 3,112,449</u>
All Other Governmental Funds										
Restricted, reported in:										
Capital project funds	\$ 119,773	\$ 119,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,463	\$ 782,520	\$ 896,813
Committed, reported in:										
Debt Service funds	-	-	-	-	-	-	-	-	102,210	87,128
Unrestricted, reported in:										
Special revenue funds	(177,404)	(460,097)	(483,827)	(487,478)	(317,064)	(43,249)	-	-	-	-
Capital project funds	261,121	347,571	617,308	914,445	(141,022)	136,592	415,993	-	-	-
Total all other governmental funds	<u>\$ 203,490</u>	<u>\$ 7,247</u>	<u>\$ 133,481</u>	<u>\$ 426,967</u>	<u>\$ (458,086)</u>	<u>\$ 93,343</u>	<u>\$ 415,993</u>	<u>\$ 761,463</u>	<u>\$ 884,730</u>	<u>\$ 983,941</u>

Note: The amounts reported for 2011 forward and fund balance descriptions reflect adoption of GASB 54 in 2011.

Note: The amounts reported for 2009 as Special Revenue and Capital Project Funds were restricted and corrected in 2010.

Source: City of Woodland Park, Colorado, audited financial statements, 1999-2013

CITY OF WOODLAND PARK, COLORADO

CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Unaudited)

TABLE 4

(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$ 5,087,776	\$ 5,231,477	\$ 5,666,124	\$ 5,961,281	\$ 6,572,657	\$ 6,430,373	\$ 6,703,862	\$ 6,665,724	\$ 6,658,202	\$ 7,081,611
Licenses and Permits	97,633	96,847	100,670	99,941	89,945	89,849	86,045	92,343	93,835	95,347
Intergovernmental	2,985,597	979,055	1,045,517	718,890	2,301,126	1,047,191	829,091	945,219	809,482	1,595,093
Charges for Services	661,883	695,035	580,334	512,431	540,831	388,183	457,390	439,658	751,733	572,039
Fines and Forfeitures	24,824	27,712	18,281	28,799	37,131	36,727	32,745	54,379	51,450	24,734
Investment Income	24,444	89,749	104,287	99,152	57,213	10,593	8,999	7,597	7,300	9,791
Other Revenues	415,355	932,493	211,903	677,851	398,402	259,709	350,843	281,850	249,383	278,600
Total Revenues	9,297,512	8,052,368	7,727,116	8,098,345	9,997,305	8,262,625	8,468,975	8,486,770	8,621,385	9,657,215
Expenditures:										
General Government	1,808,845	1,851,292	1,964,467	2,135,915	2,249,191	2,417,844	2,155,572	1,907,244	2,053,203	2,225,893
Public Safety	1,584,680	1,664,654	1,726,197	1,811,712	1,991,136	2,011,201	1,939,600	1,911,510	1,964,757	2,110,555
Highway and Streets	458,230	457,067	535,515	668,877	2,496,714	707,139	583,333	496,088	559,977	511,011
Community Development	400,892	1,114,901	1,103,997	632,682	502,700	420,555	361,960	379,346	391,509	346,268
Culture and Recreation	886,378	902,288	950,637	975,421	1,073,895	1,079,805	1,018,726	1,481,285	1,114,019	1,013,979
Capital Outlay	1,691,337	1,439,120	490,995	753,852	2,166,588	465,903	505,581	626,261	924,898	2,834,040
Debt Service										
Principal	685,000	695,000	725,000	740,000	775,000	805,000	845,000	885,000	920,000	490,000
Interest and Fiscal Charges	433,913	409,220	383,921	358,480	330,975	299,512	266,398	230,701	190,994	155,383
Total Expenditures	7,949,275	8,533,542	7,880,729	8,076,939	11,586,199	8,206,959	7,676,170	7,917,435	8,119,357	9,687,129
Excess of Revenues over (under) Expenditures	1,348,237	(481,174)	(153,613)	21,406	(1,588,894)	55,666	792,805	569,335	502,028	(29,914)
Other Financing Sources (Uses)										
Transfers In	1,368,675	1,355,752	1,758,528	1,651,091	2,474,418	1,613,817	1,381,242	1,224,511	1,246,300	1,353,078
Transfers Out	(1,074,316)	(1,004,031)	(1,370,693)	(1,256,518)	(2,114,622)	(1,232,263)	(1,046,701)	(1,170,927)	(1,192,873)	(1,220,150)
Total Other Financing Sources (Uses)	294,359	351,721	387,835	394,573	359,796	381,554	334,541	53,584	53,427	132,928
Net Change in Fund Balances	\$ 1,642,596	\$ (129,453)	\$ 234,222	\$ 415,979	\$ (1,229,098)	\$ 437,220	\$ 1,127,346	\$ 622,919	\$ 555,455	\$ 103,014
Debt Service as a percentage of noncapital Expenditures*	20.4%	16.3%	17.2%	18.0%	15.5%	14.9%	16.0%	16.3%	16.0%	8.4%

Source: City of Woodland Park, Colorado audited financial statements, 2004-2013

CITY OF WOODLAND PARK, COLORADO

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (Unaudited)

TABLE 5

Year	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	State Assessed	Total Taxable Assessed Value	Total Direct Tax Rate (a)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2004	7,868,100	42,572,490	22,902,990	2,556,640	18,790	175,110	76,094,120	16.249	681,977,940	11.16%
2005	8,158,320	47,199,410	25,908,130	2,719,190	18,370	168,425	84,171,845	16.249	756,991,703	11.12%
2006	7,181,460	49,685,850	27,409,110	2,714,090	18,440	170,620	87,179,570	16.249	792,193,595	11.00%
2007	9,237,890	57,952,550	30,026,020	2,982,460	19,190	193,720	100,411,830	16.249	914,694,924	10.98%
2008	8,708,860	58,542,870	34,192,700	3,682,220	18,960	222,870	105,368,480	16.249	936,918,988	11.25%
2009	10,556,020	57,810,730	36,186,290	3,808,090	17,850	280,120	108,659,100	16.249	942,039,559	11.53%
2010	10,395,810	58,225,520	38,921,560	4,270,730	880	3,227,920	115,042,420	16.249	945,926,119	12.16%
2011	9,716,750	53,771,890	37,143,860	4,406,270	4,220	3,511,600	108,554,590	16.249	864,422,075	12.56%
2012	9,390,300	53,903,300	34,562,850	3,722,760	1,120	630,070	102,210,400	16.249	868,723,664	11.77%
2013	7,130,630	54,596,640	35,234,850	3,264,610	1,180	3,700,250	103,928,160	16.249	855,994,445	12.14%

Source - State of Colorado Annual Report and Teller County Assessor

Note: Property in Teller County is revalued every odd numbered year. The assessment rate is 29 percent of actual value for all properties except residential and producing natural resource properties. The residential assessment rate is established by the state legislature every odd-numbered year in order to maintain the tax burden balance between residential properties and other properties. The residential assessment rate decreased from 10.36 percent for the 1996 assessment year to 7.96 percent for the 2003-2013 assessment years. Tax rates are per \$1,000 of assessed value.

Note: Exempt property has been excluded beginning in 2011 as the purpose of this table is to present assessed value and estimated actual value of taxable properties.

(a) Total Direct Tax Rate equals Mill Levy. Mill levy is property tax revenue divided by total assessed value.

CITY OF WOODLAND PARK, COLORADO

DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN YEARS

TABLE 6

(rate per \$1,000 of assessed value)

(Unaudited)

Year	City Basic Rate(a)		Overlapping Rates(b)				Total
	City of Woodland Park	Teller County	Woodland Park School District RE-2	Rampart Range Library District (c)	NE Teller County Fire Protection District (c)	Ute Pass Ambulance District (d)	
2004	16.249	14.633	40.229	6.545	9.242	n/a	86.898
2005	16.249	14.811	37.321	6.545	9.242	n/a	84.168
2006	16.249	14.633	40.229	6.545	9.242	n/a	86.898
2007	16.249	14.699	36.474	6.545	9.242	3.990	87.199
2008	16.249	14.813	34.554	6.545	9.242	4.224	85.627
2009	16.249	14.838	34.554	6.545	9.242	4.300	85.728
2010	16.249	14.633	34.187	6.545	9.365	4.098	85.077
2011	16.249	14.663	35.064	5.190	9.284	3.990	84.440
2012	16.249	14.799	35.379	5.219	14.867	4.035	90.548
2013	16.249	14.699	35.995	5.309	11.562	3.990	87.804

Source - Teller County Assessor's Office, Teller County Treasurer's Office, and Division of Property Taxation
Annual Report

Notes:

- (a) The City's basic property tax rate, except for taxes abated and refunded, may be increased only by a majority vote of the City of Woodland Park residents. The tax rate has only one and not several components.
- (b) Overlapping rates are those of local and county governments that apply to property owners in the City of Woodland Park.
- (c) Voter approved property tax increases in 2001, 2003, and 2004.
- (d) District members voted to approve the Ute Pass Ambulance District in 2005.

CITY OF WOODLAND PARK, COLORADO

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO (Unaudited)

Table 7

Taxpayer	2013			2004		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal Mart Stores, Inc.	\$ 3,586,700	1	3.45%			
Sturman Properties, LLC	1,095,290	2	1.05%	\$ 637,220	4	0.78%
Safeway Stores 46, Inc.	1,071,080	3	1.03%	1,243,130	2	1.53%
Park State Bank & Trust	861,320	5	0.83%			0.00%
Purple Mtn Hospitality/Mayfair Enterprises, LLC	941,810	4	0.91%			
Global Golf Management, LLC				385,510	7	0.47%
Dawn BV II LLC/4 Zs, LLC (Tamarac Business Center)				593,700	5	0.73%
Gold Hill Square South LLC	689,730	6	0.66%			
Gold Hill Square South LLC	680,050	7	0.65%			
NLSC Realty Colorado LLC (Morning Sun, LLC/Brown)				683,530	3	
Three J Holdings, LLP	606,570	8	0.58%			
Gold Hill Square North LLC	586,620	9	0.56%			
Sturreal, LLC				1,581,980	1	1.94%
Woodland Exchange	459,570	10	0.44%			0.00%
Brown, Allen & Linda K S				683,530	3	0.84%
TJ&I LLC				583,960	6	0.72%
O'Keefe, Brian M				378,040	8	0.46%
SW Woodpark LLC				343,700	9	0.42%
SW Woodpark LLC				322,420	10	0.40%
Total Assessed Valuation						
City of Woodland Park			\$ 103,928,170			\$ 81,418,258

Source: Teller County Assessor's Office

CITY OF WOODLAND PARK, COLORADO

GENERAL REVENUES-TAXES BY CATEGORY
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

TABLE 8

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sales Tax	\$ 2,918,000	\$ 3,087,855	\$ 3,273,986	\$ 3,687,294	\$ 4,128,746	\$ 3,966,330	\$ 4,151,140	\$ 4,180,518	\$ 4,281,782	\$ 4,625,455
General Property Tax	1,361,288	1,282,190	1,443,919	1,478,778	1,715,708	1,804,233	1,828,491	1,810,638	1,700,858	1,709,020
Specific Ownership Tax	172,765	173,576	179,980	183,586	172,998	161,438	162,551	141,387	145,513	142,223
Use Tax	318,044	323,083	384,912	244,203	189,128	140,647	201,615	168,460	181,691	217,271
Lodging Tax	73,252	74,811	75,063	76,491	64,010	75,403	95,961	95,767	91,687	108,827
Franchise Taxes:										
Cablevision	18,423	16,905	15,721	13,331	12,239	12,084	12,326	11,972	12,627	11,856
Electricity	98,791	126,933	121,042	117,893	113,248	143,406	139,737	142,670	144,461	159,633
Gas	88,677	108,633	128,416	103,598	95,673	110,832	96,041	98,312	83,583	91,326
Telephone	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Total	\$ 5,065,240	\$ 5,209,986	\$ 5,639,039	\$ 5,921,174	\$ 6,507,750	\$ 6,430,373	\$ 6,703,862	\$ 6,665,724	\$ 6,658,202	\$ 7,081,611

*Severance and Tobacco tax were classified as intergovernmental revenue beginning in 2009.

Source: City of Woodland Park, Colorado, audited financial statements, 2004-2013

CITY OF WOODLAND PARK, COLORADO

SALES/USE TAX BY CATEGORY
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

TABLE 9

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 265,477	\$ 292,898	\$ 360,555	\$ 395,750	\$ 376,791	\$ 329,941	\$ 351,399	\$ 335,444	\$ 344,369	\$ 385,352
Food Stores	1,068,666	1,140,255	1,152,911	1,447,752	2,316,289	2,293,576	2,346,835	2,338,674	2,375,517	2,498,585
Eating & Drinking	382,671	408,644	434,296	478,922	493,830	463,962	501,309	477,653	513,149	571,192
Home Furnishings	33,237	33,358	58,840	64,257	48,091	29,703	38,981	41,038	53,356	66,963
Building Materials & Supplies	417,516	432,806	404,155	367,676	299,293	219,260	299,954	282,655	260,738	327,448
Auto Dealers & Parts/Supplies	118,787	121,065	132,443	163,149	148,916	155,263	173,279	164,921	184,189	211,924
Hotel/Motel	36,069	35,013	35,223	36,467	31,895	35,954	47,322	133,331	129,717	156,777
Utility Services	195,411	231,287	257,054	248,637	266,822	279,515	292,629	275,282	275,290	283,930
Other Retail Stores	85,482	84,256	96,555	96,480	106,304	105,463	107,614	112,465	115,203	140,868
All Other Outlets	314,684	308,273	341,954	388,204	293,653	269,743	289,394	283,282	303,632	308,514
Total Sales and Use Taxes	\$ 2,918,000	\$ 3,087,855	\$ 3,273,986	\$ 3,687,294	\$ 4,381,884	\$ 4,182,380	\$ 4,448,716	\$ 4,444,745	\$ 4,555,160	\$ 4,951,553
City Direct Sales Tax Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Source: City of Woodland Park, Colorado, audited financial statements, 2004-2013 and Sales Tax Subsidiary Records, 2004-2013

Note: Years 2004 - 2007 amounts for the Hotel/Motel and Other Retail Stores were misclassified and have been corrected.

CITY OF WOODLAND PARK, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS (Unaudited)

TABLE 10

Year Assessed	Gross Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	1,322,965	1,282,190	96.92%	-	1,282,190	96.92%
2005	1,442,286	1,443,919	100.11%	-	1,443,919	100.11%
2006	1,477,619	1,478,778	100.08%	-	1,478,778	100.08%
2007	1,706,811	1,715,708	100.52%	-	1,715,708	100.52%
2008	1,792,781	1,804,233	100.64%	-	1,804,233	100.64%
2009	1,824,044	1,828,491	100.24%	-	1,828,491	100.24%
2010	1,814,105	1,810,638	99.81%	-	1,810,638	99.81%
2011	1,708,087	1,700,858	99.58%	-	1,700,858	99.58%
2012	1,714,310	1,709,020	99.69%	227	1,709,247	99.70%
2013	1,624,696	N/A	N/A	N/A	N/A	N/A

Source: Teller County Treasurer's Office and the City of Woodland Park, Colorado audited financial statements, 1999-2013

Note: Prior year delinquent amounts were either considered immaterial and included with current tax collections or records for the particular year are not available (2006 and earlier). In response to GFOA comments for 2012, we have identified immaterial collections in subsequent years for 2012 and will do so for future years.

CITY OF WOODLAND PARK, COLORADO

**WATER REVENUES
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

TABLE 11

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water Revenues:										
Charges for Services:										
Metered Water Sales by Type of Customer:										
Residential	\$ 777,564	\$ 821,966	\$ 827,115	\$ 857,845	\$ 985,253	\$ 925,434	\$ 1,121,723	\$ 1,121,566	\$ 1,234,303	\$ 1,113,502
Commercial	224,105	233,873	253,265	265,991	296,576	256,238	282,950	271,130	307,601	297,214
Irrigation	25,862	34,397	24,900	22,327	47,692	28,824	47,381	58,590	51,526	47,360
Public Institutions	1,214	1,127	1,122	1,263	1,293	1,065	1,606	30,872	26,613	26,117
Bulk	1,771	460	212	1,810	16,989	4,887	11,376	6,708	12,029	21,556
Total Metered Sales	1,030,516	1,091,823	1,106,614	1,149,236	1,347,803	1,216,448	1,465,036	1,488,866	1,632,072	1,505,749
Sale of Augmentation Water	32,253	31,815	20,299	29,166	27,177	28,895	37,393	35,676	44,390	26,708
Water Rights Fees	51,055	36,892	30,467	14,565	9,212	3,162	2,875	6,675	9,324	42,624
Capital Replacement Fee	136,675	139,951	142,341	145,260	158,524	134,138	148,745	147,298	156,344	148,477
Other Revenues	52,888	15,594	33,376	34,733	43,799	79,194	53,148	29,820	104,976	42,054
Total Charges for Services	1,303,387	1,316,075	1,333,097	1,372,960	1,586,515	1,461,837	1,707,197	1,708,335	1,947,106	1,765,612
Tap Fees	796,586	746,669	571,956	434,683	272,561	67,380	50,925	92,512	150,214	610,126
Interest Income	3,751	64,812	30,741	29,560	17,279	7,584	2,260	1,240	2,453	3,322
Total Water Revenues	\$ 2,103,724	\$ 2,127,556	\$ 1,935,794	\$ 1,837,203	\$ 1,876,355	\$ 1,536,801	\$ 1,760,382	\$ 1,802,087	\$ 2,099,773	\$ 2,379,060

Source: City of Woodland Park, Colorado, audited financial statements, 2004-2013 and Water Utility Billing Records, 2004-2013.

Notes:

The investment rate environment improved in 2005 resulting in a significant increase in interest income. However, during 2008, the markets and economy encountered a recession dropping interest income again. Further, cash invested had declined.

CITY OF WOODLAND PARK, COLORADO

WATER SALES BY TYPE OF CUSTOMER LAST TEN FISCAL YEARS (Unaudited) (accrual basis of accounting)

TABLE 12

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Metered Water Sales by Type of Customer										
Residential	\$ 777,564	\$ 821,966	\$ 827,115	\$ 857,845	\$ 985,253	\$ 925,434	\$ 1,121,723	\$ 1,121,566	\$ 1,234,303	\$ 1,113,502
Commercial	224,105	233,873	253,265	265,991	296,576	256,238	282,950	271,130	307,601	297,214
Irrigation	25,862	34,397	24,900	22,327	47,692	28,824	47,381	58,590	51,526	47,360
Public Institutions	1,214	1,127	1,122	1,263	1,293	1,065	1,606	30,872	26,613	26,117
Bulk	1,771	460	212	1,810	16,989	4,887	11,376	6,708	12,029	21,556
Total Metered Water Sales by Type of Customer	\$ 1,030,516	\$ 1,091,823	\$ 1,106,614	\$ 1,149,236	\$ 1,347,803	\$ 1,216,448	\$ 1,465,036	\$ 1,488,866	\$ 1,632,072	\$ 1,505,749
Water Gallons Sold by Type of Customer (a)										
Residential	122,029	160,437	157,502	157,970	161,428	150,953	157,882	158,066	167,376	152,289
Commercial	31,738	39,711	40,596	40,230	39,469	34,326	33,065	34,083	36,658	35,586
Irrigation	1,334	1,953	2,026	2,990	4,728	2,871	3,409	3,132	4,441	2,998
Public Institutions	8,682	11,612	10,197	7,787	10,998	10,435	13,476	16,517	17,383	13,100
Bulk	286	653	4,897	1,458	2,176	626	1,061	801	1,579	2,179
Total Water Gallons Sold by Type of Customer	164,069	214,366	215,218	210,435	218,799	199,211	208,893	212,599	227,437	206,152

(a) In thousands of gallons

Source: City of Woodland Park, Colorado, audited financial statements, 2004-2012 and Water Utility Billing Records, 2004-2013.

Notes:

2005 and 2006 were extremely hot and dry years resulting in higher water usage when compared to 2004.

CITY OF WOODLAND PARK, COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (Unaudited)

TABLE 13

Fiscal Year	Governmental Activities					Business-Type Activities						
	General Obligation Bonds	Revenue Bonds	Certificates of Participation(a)	Capital Leases(b)	Severance Agreement	General Obligation Bonds	Revenue Bonds	Note Payable Water Resource Authority	Note Payable Water Rights Purchase (c)	Total Primary Government	Percentage of Personal Income (d)	Per Capita (d)
2004	\$ 2,670,000	\$ 3,250,000	\$ 3,520,000	\$ 165,264	\$ -	\$ 1,175,000	\$ 4,593,587	\$ 741,331	\$ 1,274,760	\$ 17,389,942	7.66%	\$ 2,466
2005	2,510,000	2,885,000	3,350,000	68,850	-	821,000	4,138,941	711,378	1,274,760	15,759,929	6.38%	2,203
2006	2,340,000	2,505,000	3,175,000	46,352	77,670	559,000	3,740,801	680,217	1,274,760	14,398,800	5.57%	2,007
2007	2,165,000	2,125,000	2,990,000	22,479	-	285,000	3,327,660	647,795	1,274,760	12,837,694	4.73%	1,764
2008	1,980,000	1,725,000	2,800,000	-	-	-	2,899,519	614,063	1,274,760	11,293,342	3.82%	1,559
2009	1,790,000	1,310,000	2,600,000	-	-	-	2,461,378	578,968	1,196,231	9,936,577	3.27%	1,380
2010	1,585,000	890,000	2,380,000	-	-	-	2,008,237	1,247,455	1,027,575	9,138,267	3.11%	1,264
2011	1,370,000	450,000	2,150,000	-	-	-	1,535,096	1,144,703	847,450	7,497,249	2.55%	1,037
2012	1,140,000	-	1,910,000	-	-	-	1,105,000	1,077,176	655,077	5,887,253	1.88%	816
2013	900,000	-	1,660,000	-	-	-	570,000	1,007,490	449,622	4,587,112	1.47%	636

Note: Details regarding the City's outstanding debt can be found in Note 7 to the financial statements.

Note: The City adopted GASB 65 for the year ended December 31, 2013. Information for 2012 has been restated.

- (a) The Woodland Park Municipal Building Corporation, a Colorado non-profit corporation was formed March 1999 for the purpose of purchasing, leasing or otherwise acquiring certain real property and to construct or install certain improvements in the City and thereafter lease the real property and improvements to the City of Woodland Park for public purposes. Certificates of Participation of \$4,260,000 were issued by the Corporation in 1999 to finance the new Public Works Facility and Police Operations Center buildings. In accordance with a lease agreement, the City leases the building from the Corporation with annual payments equal to the debt service of the Certificates of Participation.
- (b) The City entered into a lease-purchase agreement in December 1998 to purchase modular buildings for an after-school program offered by the school district that were leased back to the district at no gain until paid in full during 2008.
- (c) During 2003, the City obtained a loan from Ronald and Dean Bauer for the purchase of water rights. Interest accrues at 6.8% per annum on unpaid principal and interest.
- (d) See Table 17 for personal income and population data.

CITY OF WOODLAND PARK, COLORADO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS (Unaudited)

TABLE 14

	Fiscal Year										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
General Bonded Debt Outstanding											
General Obligation Bonds	\$ 3,845,000	\$ 3,331,000	\$ 2,899,000	\$ 2,450,000	\$ 1,980,000	\$ 1,790,000	\$ 1,585,000	\$ 1,370,000	\$ 1,140,000	\$ 900,000	
Percentage of Estimated Actual Property Value (a)	0.56%	0.44%	0.37%	0.27%	0.21%	0.19%	0.17%	0.16%	0.13%	0.11%	
Per Capita (b)	\$ 545.31	\$ 465.55	\$ 404.15	\$ 336.68	\$ 273.33	\$ 248.61	\$ 219.20	\$ 189.99	\$ 157.98	\$ 124.72	
Total Taxable Assessed Value	76,094,120	84,171,845	87,179,570	100,411,830	105,368,480	108,659,100	115,042,420	108,554,590	102,210,400	103,928,160	
Legal Debt Limit (c)	7,609,412	8,417,185	8,717,957	10,041,183	10,536,848	10,865,910	11,504,242	10,855,459	10,221,040	10,392,816	
Total Net Debt Applicable To Debt Limit	3,845,000	3,331,000	2,899,000	2,450,000	1,980,000	1,790,000	1,585,000	1,370,000	1,140,000	900,000	
Legal Debt Margin (d)	<u>\$ 3,764,412</u>	<u>\$ 5,086,185</u>	<u>\$ 5,818,957</u>	<u>\$ 7,591,183</u>	<u>\$ 8,556,848</u>	<u>\$ 9,075,910</u>	<u>\$ 9,919,242</u>	<u>\$ 9,485,459</u>	<u>\$ 9,081,040</u>	<u>\$ 9,492,816</u>	
Legal Debt Margin as a Percentage of the Debt Limit	49.47%	60.43%	66.75%	75.60%	81.21%	83.53%	86.22%	87.38%	88.85%	91.34%	

Note: Details regarding the City's outstanding debt can be found in Note 7 to the financial statements.

(a) Property value data can be found in Table 5: Assessed Value and Estimated Actual Value of Taxable Property.

(b) Population data can be found in Table 17

(c) State statutes limit the City's outstanding general debt to no more than 10 percent of the assessed value of the property.

(d) The legal debt margin is the City's available borrowing authority under state statutes and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

CITY OF WOODLAND PARK, COLORADO

RATIOS OF WATER & WASTEWATER FUNDS DEBT OUTSTANDING LAST TEN FISCAL YEARS (Unaudited)

TABLE 15

WATER FUND	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water Fund Debt Outstanding										
General Obligation Bonds	\$ 1,175,000	\$ 821,000	\$ 913,000	\$ 285,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	2,570,000	2,465,000	2,255,000	2,035,000	1,810,000	1,580,000	1,340,000	1,090,000	835,000	570,000
Note Payable-Water Resource Authority	741,331	711,378	710,170	647,795	614,063	578,965	542,455	504,467	464,945	423,826
Note Payable-Water Rights Purchase	1,274,760	1,274,760	1,274,760	1,274,760	1,274,760	1,196,231	1,027,575	847,450	655,077	449,622
Total Water Fund Debt Outstanding	\$ 5,761,091	\$ 5,272,138	\$ 5,152,930	\$ 4,242,555	\$ 3,698,823	\$ 3,355,196	\$ 2,910,030	\$ 2,441,917	\$ 1,955,022	\$ 1,443,448
Number of Active Water Service Connections	3,721	3,946	3,951	3,999	3,997	3,989	4,072	3,841	3,853	3,864
Water Fund Debt per Active Water Service Connection	\$ 1,548	\$ 1,336	\$ 1,304	\$ 1,061	\$ 925	\$ 841	\$ 715	\$ 636	\$ 507	\$ 374

WASTEWATER FUND	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Wastewater Fund Debt Outstanding										
Revenue Bonds	\$ 2,125,000	\$ 1,920,000	\$ 1,705,000	\$ 1,485,000	\$ 1,255,000	\$ 1,020,000	\$ 780,000	\$ 530,000	\$ 270,000	\$ -
Note Payable-Water Resource Authority	-	-	-	-	-	-	705,000	640,236	612,231	583,664
Total Wastewater Fund Debt Outstanding	\$ 2,125,000	\$ 1,920,000	\$ 1,705,000	\$ 1,485,000	\$ 1,255,000	\$ 1,020,000	\$ 1,485,000	\$ 1,170,236	\$ 882,231	\$ 583,664
Number of Active Wastewater Service Connections	3,447	3,639	3,678	3,710	3,325	3,696	3,750	3,873	3,880	3,897
Wastewater Fund Debt per Active Wastewater Service Connection	\$ 616	\$ 528	\$ 464	\$ 400	\$ 377	\$ 276	\$ 396	\$ 302	\$ 227	\$ 150

Note: Details regarding the City's outstanding debt can be found in Note 7 to the financial statements.

Note: Number of customers, Water and Wastewater Funds, were recalculated and correctly restated for 2011 and 2012, and correctly stated in 2013. Data prior to 2011 is not available for recalculation.

CITY OF WOODLAND PARK, COLORADO

**DIRECT AND OVERLAPPING BONDED DEBT
DECEMBER 31, 2013
(Unaudited)**

TABLE 16

<u>Government Entity</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (b)</u>	<u>Estimated Share of Overlapping (a) Debt</u>
Woodland Park School District RE-2	\$ 13,075,000	44.34%	\$ 5,797,455
Rampart Regional Library District	1,835,000	7.78%	\$ 142,763
Total Overlapping Debt			<u>5,940,218</u>
City of Woodland Park Direct Debt	\$ 2,560,000	100.0%	<u>2,560,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 8,500,218</u></u>

Notes:

(a) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Woodland Park. This process recognizes that, when considering the City of Woodland Park's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(b) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF WOODLAND PARK, COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS (Unaudited)

TABLE 17

Year	Woodland Park Population (a)	Personal Income Teller County (thousands of dollars) (b)	Personal Income Woodland Park (thousands of dollars) (c)	Per Capita Personal Income (b)	Teller County Unemployment Rate
2004	7,051	680,370	226,887	32,178	5.6
2005	7,155	735,237	246,955	34,515	5.0
2006	7,173	775,333	258,587	36,050	4.2
2007	7,277	812,453	271,425	37,299	5.6
2008	7,244	882,570	295,765	40,829	8.4
2009	7,200	914,257	303,559	42,161	11.3
2010	7,231	951,695	293,463	40,584	7.8
2011	7,211	987,900	305,004	42,297	9.1
2012 (d)	7,216	1,014,592	313,023	43,379	7.5
2013 (d)	7,216	1,014,592	313,023	43,379	7.5

Source: Department of Local Affairs-Demography Section, U.S. Department of Labor-Bureau of Labor Statistics and Bureau of Economic Analysis-an agency of the U.S. Department of Commerce.

- (a) Population data in 2010 was per Census, and 2011 and 2012 were updated per Colorado State Demographer's Office statistics.
- (b) The data reported for Personal Income and Per Capita Personal Income is for Teller County and has been updated per Bureau of Economic Analysis' statistics.
- (c) Personal Income for Woodland Park is calculated by multiplying Woodland Park population by Per Capita Personal Income.
- (d) Population, Personal Income and Per Capita Personal Income data for 2013 is not available as of April 2014; therefore, 2012 data is repeated for 2013.

CITY OF WOODLAND PARK, COLORADO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

TABLE 18

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
City Clerk	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.5	2.0
Municipal Court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5
City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	5.0	5.0	5.4	5.4	4.6	4.6	4.6
Building Maintenance	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0
Community Development										
Planning/Zoning/Building	3.0	3.0	3.0	2.5	2.5	3.0	3.0	3.0	3.0	3.5
Code Enforcement	0.0	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.5	0.5
Economic Development	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.8	2.0	2.0
Public Safety										
Patrol Officers	15.0	15.0	15.0	15.0	17.0	17.0	17.0	17.0	17.0	17.0
Victims Assistance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School Resource/DARE Program	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Dispatch Services	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0
Public Works										
Equipment Repair	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Street Maintenance	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Construction Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Engineering	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5
Cemetery	0.5	0.5	0.5	0.5	0.5	0.2	0.2	0.4	0.4	0.4
Cultural & Recreation	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Water/Wastewater Funds										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water/Wastewater Treatment	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Water Distribution	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Wastewater Collection	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Water/Wastewater Utility Billing	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	79.3	79.3	79.3	79.3	82.3	82.9	82.9	82.6	83.3	84.3

Source: City of Woodland Park Finance Department

Note: For years 2004-2007, the Public Works Administration employees was excluded and has since been corrected.

CITY OF WOODLAND PARK, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (Unaudited)

TABLE 19

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety										
Physical arrests	640	640	503	393	450	397	290	272	342	467
Traffic accidents	337	440	318	493	231	233	232	264	224	266
Cases filed	1,687	1,668	1,502	1,275	1,414	1,214	1,269	1,528	1,209	1,574
Calls for service	26,158	25,970	21,367	20,731	20,765	20,138	26,639	23,449	27,317	21,613
Public Works										
Miles of street resurfaced	--	--	--	--	4.60	1.25	1.00	5.72	6.36	5.70
Linear feet of street restriping	--	--	--	--	36,757	26,750	27,937	38,952	37,419	28,473
Cemetery										
Spaces sold	32	11	21	15	19	16	9	11	36	12
Cultural & Recreation										
Recreation program participation:										
Residents	2,974	2,185	2,373	2,281	2,019	2,040	2,126	1,984	1,498	1,796
Nonresidents	1,641	2,046	1,922	1,982	2,194	1,766	1,498	1,769	2,083	2,199
Water Fund										
Number of customers	3,721	3,946	3,951	3,999	3,997	3,989	4,072	3,841	3,853	3,864
Avg. daily flow (mgd)	0.660	0.704	0.700	0.674	0.698	0.634	0.652	0.661	0.701	0.684
Wastewater Fund										
Number of customers	3,447	3,639	3,678	3,710	3,325	3,696	3,750	3,873	3,880	3,897
Avg. daily flow (mgd)	0.625	0.596	0.598	0.610	0.586	0.588	0.571	0.564	0.551	0.574

Source: City of Woodland Park Police, Public Works, Parks & Recreation and Utilities Departments.

Note: Number of customers, Water and Wastewater Funds, were recalculated and correctly restated for 2011 and 2012, and correctly stated in 2013. Data prior to 2011 is not available for recalculation.

CITY OF WOODLAND PARK, COLORADO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (Unaudited)

TABLE 20

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Marked/Unmarked Patrol units	13	14	15	15	15	15	13	13	13	13
Police Personnel/Officers	28	28	28	29	29	29	28	28	28	29
Public Works										
Streets (in miles)	55.29	55.31	55.90	56.79	56.79	56.79	56.79	56.79	56.79	56.79
Cemetery										
City owned Cemeteries	1	1	1	1	1	1	1	1	1	1
Cultural & Recreation										
Number/Acres of developed parks	10/40.7	10/64.35	10/64.35	10/64.35	10/64.35	10/64.35	10/64.35	10/66.67	10/66.67	10/66.67
Number/Acres of undeveloped parks & open space land	8/86.41	8/62.58	8/62.58	19/62.58	19/62.58	19/62.58	19/62.58	19/59.26	19/59.26	19/59.26
Miles of trails	4.12	4.12	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61
Adult/Youth baseball/softball fields	7	8	7	7	7	7	7	7	7	7
Overlapping soccer/football fields	5	5	7	7	7	7	7	7	7	7
Tennis/Hard surface courts	8	8	8	8	8	9	9	9	7	7
Playgrounds/Outdoor ice rinks/Skateboard parks	6	6	6	6	7	7	7	7	8	8
Community/Teen centers	3	3	4	4	4	4	4	3	3	3
Water Fund										
Number of Customers	3,721	3,946	3,951	3,999	3,997	3,989	4,072	3,841	3,853	3,864
Number of Pressure Zones	7	7	7	7	7	7	7	8	8	8
Maximum Daily Capacity (in gallons)	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000
Current Peak 7-Day Demand (in gallons/day)	878,000	1,317,000	1,200,000	930,000	1,170,000	860,000	1,014,000	1,099,000	1,256,000	1,002,000
Raw Reservoir Capacity (in gallons)	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Potable Storage Tank Capacity (in gallons)	3,550,000	3,550,000	3,550,000	3,966,000	3,966,000	3,966,000	3,966,000	3,966,000	3,966,000	3,966,000
Wastewater Fund										
Number of Customers	3,447	3,639	3,678	3,710	3,325	3,696	3,750	3,873	3,880	3,897
Sanitary Sewers (in miles)	64	64	64	66	66	66	66	66	66	67
Advanced Wastewater Treatment Capacity (gallons/day)	893,000	893,000	893,000	893,000	893,000	893,000	893,000	893,000	893,000	893,000
Average Daily Treated Volume (in gallons)	625,000	596,000	598,000	610,000	586,000	588,000	571,000	564,000	551,000	574,000

Source: City of Woodland Park Police, Public Works, Parks & Recreation and Utilities Departments.

Note: Number of customers, Water and Wastewater Funds, were recalculated and correctly restated for 2011 and 2012, and correctly stated in 2013. Data prior to 2011 is not available for recalculation.

COMPLIANCE SECTION

SINGLE AUDIT



Honorable Mayor and Members of the City Council
City of Woodland Park
Woodland Park, Colorado

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Woodland Park as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Woodland Park, and have issued our report thereon dated April 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Woodland Park's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Woodland Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Woodland Park's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Woodland Park's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the City of Woodland Park's internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Woodland Park's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Woodland Park's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Woodland Park's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



April 29, 2014



Honorable Mayor and Members of the City Council
City of Woodland Park
Woodland Park, Colorado

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

Report on Compliance for Each Major Federal Program

We have audited the City of Woodland Park's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Woodland Park's major federal programs for the year ended December 31, 2013. The City of Woodland Park's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Woodland Park's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Woodland Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Woodland Park's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Woodland Park complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the City of Woodland Park is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Woodland Park's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Woodland Park's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the City of Woodland Park's internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Woodland Park as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Woodland Park. We issued our report thereon dated April 29, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Woodland Park's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Swanlund & Company, LLC

April 29, 2014

CITY OF WOODLAND PARK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

• Material weaknesses identified? _____ yes x no

• Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

• Material weaknesses identified? _____ yes x no

• Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ yes x no

Identification of major program:

97.047 Pre-Disaster Mitigation

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ yes x no

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

Federal Awards Findings and Questioned Costs

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.

CITY OF WOODLAND PARK, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Disbursements
U.S. Department of Justice		
Passed through Colorado Department of Revenue		
Enforcing Underage Drinking Laws	16.727	\$ <u>12,543</u>
U.S. Department of Transportation		
Passed through Colorado Department of Transportation		
Highway Planning and Construction	20.205	206,975
State and Community Highway Safety	20.600	<u>1,725</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>208,700</u>
U.S. Department of Health and Human Services		
Passed through Teller County		
Drug-Free Communities Support Program	93.276	<u>30,806</u>
U.S. Department of Homeland Security		
Passed through Colorado Department of Local Affairs		
Pre-Disaster Mitigation	97.047	<u>608,316</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ <u>860,365</u></u>

See the accompanying Independent Auditors' Report.

CITY OF WOODLAND PARK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

STATE COMPLIANCE

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Woodland Park
		YEAR ENDING : December 2013
This Information From The Records Of (example - City of _ or County of City of Woodland Park)		Prepared By: Kellie J Case, Finance Director/Treasurer Phone: 719/687-5280

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	902,932
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	197,588
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	293,516
2. General fund appropriations	34,592	b. Snow and ice removal	52,689
3. Other local imposts (from page 2)	1,779,421	c. Other	
4. Miscellaneous local receipts (from page 2)	27,925	d. Total (a. through c.)	346,205
5. Transfers from toll facilities		4. General administration & miscellaneous	319,106
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	303,357
a. Bonds - Original Issues		6. Total (1 through 5)	2,069,188
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	14,375
7. Total (1 through 6)	1,841,938	b. Redemption	75,000
B. Private Contributions		c. Total (a. + b.)	89,375
C. Receipts from State government (from page 2)	316,625	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,158,563	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	89,375
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			2,158,563

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	230,000	0	75,000	155,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	2,158,563	2,158,563		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2013	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	3,048
b. Other local imposts:		b. Traffic Fines & Penalties	20,472
1. Sales Taxes	1,596,276	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	11,750	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	171,395	g. Other Misc. Receipts	4,405
6. Total (1. through 5.)	1,779,421	h. Other	
c. Total (a. + b.)	1,779,421	i. Total (a. through h.)	27,925
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	283,875	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	32,750	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	32,750	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	316,625	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		873,828	873,828
(4). System Enhancement & Operation		29,104	29,104
(5). Total Construction (1) + (2) + (3) + (4)		0	902,932
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	902,932
			(Carry forward to page 1)
Notes and Comments:			