



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Denny L. Nester, City Auditor

16-23 City of Colorado Springs Trails, Open Space, and Parks (TOPS) Fund

October 2016

Purpose

To evaluate whether the Trails, Open Space, and Parks (TOPS) fund was administered in compliance with City Code Chapter 4, Article 6, Part 2 and whether its goals and objectives were being achieved. The audit period was 2014 and 2015.

Highlights

We concluded that as of December 31, 2015, the TOPS fund was in compliance with the spending limitations found in Section 4.6.202 of the City Code. We also conclude that the TOPS fund goals and objectives are being achieved through continued purchase, maintenance, and management of trails, open space, and parks within the City and surrounding areas.

Cumulative revenue for the TOPS program was \$111,915,321. With one exception attributed to timing, appropriate cumulative spending limits were achieved in each category. The exception was in the Open Space category where the aggregate spending only reached 54.84%, instead of the required 60% minimum. When we considered a multi-year perspective on Open Space acquisitions, the Open Space expenditure requirements were in compliance, i.e., in evaluating compliance, we considered the outstanding Red Rocks Open Space principal balance and planned acquisitions in 2017 and 2018 (potential purchases of Open Space are outlined in the Park System Master Plan). It was estimated that the current fund balance in the Open Space category, as well as projected revenue in 2016 and 2017, will be required to complete these planned acquisitions. It is our opinion that the spending below the 60% minimum for Open Space was a temporary timing issue, which will be resolved with planned acquisitions in the near future. The multi-year perspective on Open Space acquisitions follows the spirit of City Code, Chapter 4, Article 6, Part 2.

The TOPS program, funded by a voter approved 0.1% sales tax, was created in 1997. TOPS mission is "to provide a means of acquiring and preserving new open space, and providing parks and trails for recreational purposes on any public sites within the City and areas within the immediate vicinity." This audit examined the TOPS fund for the period January 1, 2014 to December 31, 2015 to test compliance with conditions listed in City Code. We reviewed compliance with key provisions of the Code such as advisory committee residency and adherence to spending limitations.

See page two for details of TOPS compliance for the audit period, as well as the spending limits. Decisions on spending are recommended by the TOPS Citizen Advisory Committee, which by Section 4.1.104 of City Code, is also the same as the Parks and Recreation Advisory Board.

We would like to thank TOPS personnel who assisted us with this audit.

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Month 2016

Trails, Open Space, and Parks (TOPS) Fund Compliance Calculation

	2014	2015	Cumulative Total ⁽⁶⁾	Calculated %	Voter Approved Limits
Total Revenue	\$7,397,787	\$7,529,064	\$111,915,321		0.1% Sales Tax
Less: APM ⁽¹⁾ Fund	\$240,040	\$241,103	\$2,825,576	2.52%	Maximum of 3% ⁽²⁾
Less: Stewardship/ Maintenance	\$441,900	\$466,753	\$5,722,078	5.11%	See Footnote ⁽³⁾
Balance available for projects	\$6,715,847	\$6,821,209	\$103,367,667		
Trails	\$1,449,231	\$1,708,789	\$19,896,680	19.25%	Maximum of 20%
Parks ⁽⁴⁾	\$2,087,759	\$2,377,206	\$19,076,741	18.46%	Maximum of 20%
Open Space	\$1,084,681	\$4,192,247	\$56,688,183	54.84%	Minimum of 60% ⁽⁵⁾
Total Project Expenditures	\$4,621,671	\$8,278,243	\$95,661,604		

⁽¹⁾ APM = Administration, Planning and Maintenance

⁽²⁾ Spending limits for APM was 2% from 1997 - 2002, 3% beginning in 2003.

⁽³⁾ Spending limit for Stewardship was 6% from 2003 - 2010, 15% for 2011 - 2012 and 6% thereafter.

⁽⁴⁾ Voters approved utilization of Parks category for maintenance of ALL Parks in 2013.

⁽⁵⁾ Spending exceeds 60% when outstanding balance for Red Rocks and planned Open Space purchases in 2017 & 2018 are included.

⁽⁶⁾ Cumulative total includes 2015 year end appropriations.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.