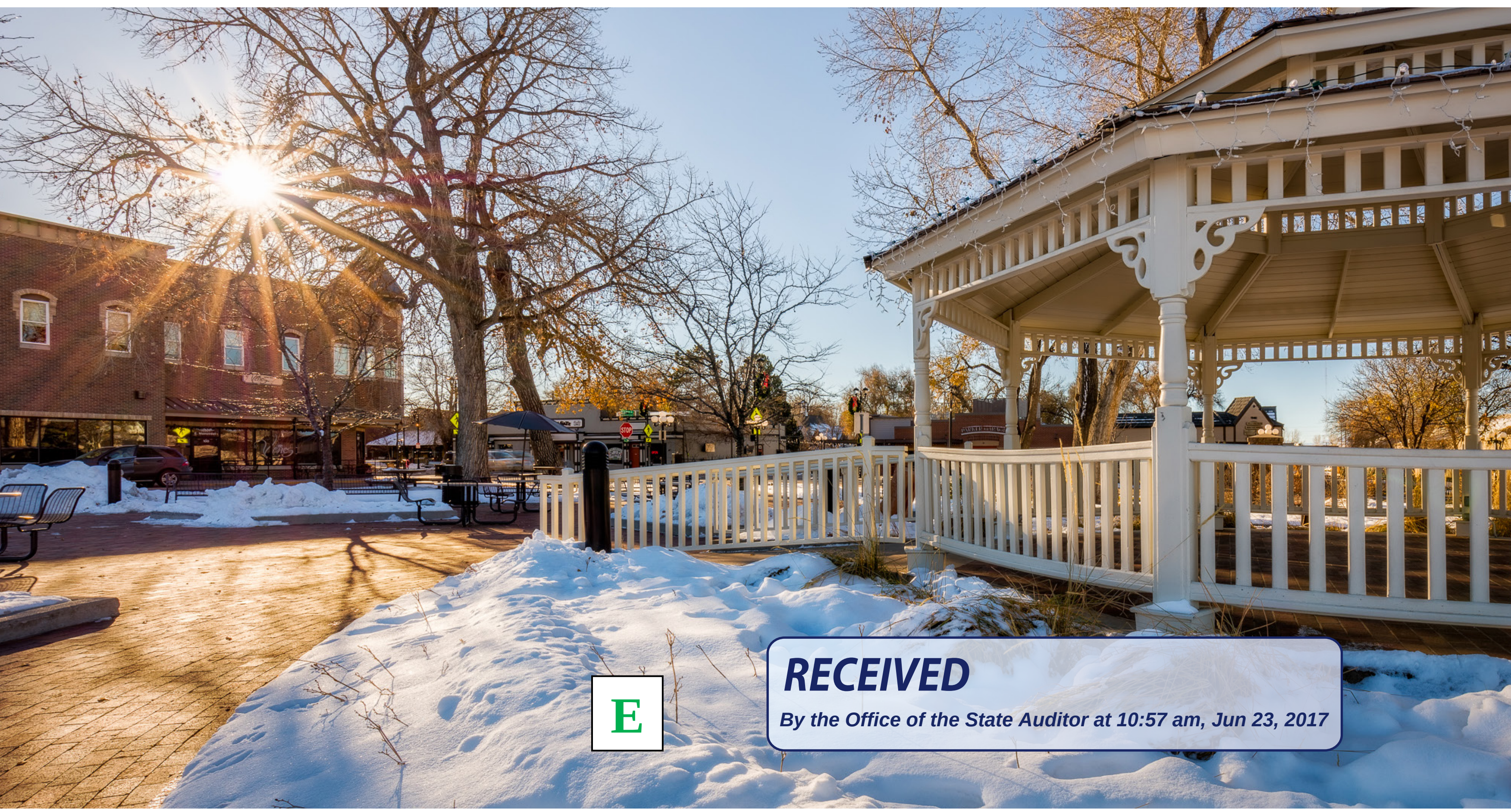
PARKER
COLORADO

# Comprehensive Annual Financial Report

*For the year ended December 31, 2016*



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# COMPREHENSIVE
# ANNUAL
# FINANCIAL
# REPORT

## *Town of Parker, Colorado*

## *For the Year Ended December 31, 2016*

**Prepared by the Finance Department**

Rhonda Willey, Accounting Manager
Member of the Government Finance Officers Association

Glenn Murray, Accountant
Member of the Governmental Finance Officers Association

PARKER
COLORADO

# TOWN OF PARKER, COLORADO
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# DECEMBER 31, 2016

## Combining and Individual Fund Statements and Statements

# INTRODUCTORY SECTION

PARKER
COLORADO

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June 7, 2016

**To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Parker, Colorado**

We are pleased to submit for your information and review, the Comprehensive Annual Financial Report (CAFR) of the Town of Parker, Colorado (the Town) for the year ended December 31, 2016. The Town Charter requires that an independent audit of the financial statements be performed annually by certified public accountants within 120 days after the close of the fiscal year. In accordance with this requirement, CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, has audited the Town's financial statements. The independent auditor has issued unmodified ("clean") opinions on the Town's financial statements for the fiscal year ended December 31, 2016. Their report is presented as the first component of the financial section of this CAFR.

This report consists of representations concerning the finances of the Town. Responsibility for both the accuracy of the prepared data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To provide a reasonable basis for making those representations, the Town has established an internal control framework that is designed to both protect the assets of the Town from loss, theft or misuse and to allow for the compiling of sufficient reliable information for the preparation of the Town's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the Town'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. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management's Discussion and Analysis (MD&A) immediately following the independent auditors' report provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## PROFILE OF THE TOWN

The Town incorporated in 1981 and adopted its Home Rule Charter on February 7, 1984. The Town is a growing community encompassing an area of approximately 21 square miles. The Town is located in northeastern Douglas County, about 20 miles southeast of Denver and is included in the Denver Metropolitan Area. The population of the Town is approximately 51,000. Prior to 2008, population growth averaged over 3 percent. Beginning with the downturn in the national economy and through the recession, population growth slowed to less than one percent annually. However, with the rebound in the economy and renewed growth in construction, population growth averaged over two percent annually from 2011 to 2015. 2016 had less than one percent growth. The Town continues to rank high in the state and metro area in education level with 97.7 percent of residents (aged 25 or older) with a high school diploma and 52.6 percent with a bachelor degree or higher. Median household income also ranks above average at $97,824. The Town operates under a Council-Administrator form of government. The community at large elects six Councilmembers and the Mayor to staggered four-year terms with no more than three Councilmembers' terms expiring every two years. The Town Council appoints the Town Attorney, the Municipal Court Judge and the Town Administrator. The Town Administrator is the Chief Administrative Officer of the Town.

The financial reporting entity of the primary government (the Town) includes all of its funds and its two blended component units, the Parker Authority for Reinvestment (PAR) and the Greater Parker Foundation (GPF). Component units are legally separate entities for which the primary government is financially accountable.

The PAR, an urban renewal authority, was incorporated in 2006 under the Colorado Revised Statutes C.R.S. § 31-25-101, et seq. for the purpose of eliminating blight and facilitating redevelopment within the Town. The GPF was incorporated in 2008 as a Colorado non-profit corporation exclusively for public, charitable, and educational purposes as described in and contemplated by § 501(c)(3) of the Internal Revenue Code of 1986, and more specifically, exclusively for the benefit of the Town.

These component units are included in the Town's financial statements because the Town appoints the board members for and has financial accountability for them. For more information on these legally separate entities, please refer to Note 1A in the notes to the financial statements.

The Town provides the following services as authorized by its charter: public safety (police and building inspections); public works (streets and parks); culture and recreation; and stormwater utilities. General government activities include administration, legal, finance, community development services and municipal court. Water and sanitation services, fire protection and schools are provided by separate districts and are not included in the Town's financial statements.

The Town has a calendar fiscal year. The Town's charter requires the Town Council to adopt a budget no later than December 15 of the preceding fiscal year. The budget is adopted on an annual basis and maintains a system of budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. Activities of the general, special revenue, debt service, capital projects, enterprise and internal service funds are included in the annual appropriated budget ordinance. Appropriations for all funds lapse at year-end. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. For management control purposes, the Town prepares a line item budget by department. With the approval of the Finance Director and the Town Administrator, department directors may reallocate the distribution of the budgeted amounts within the major categories of the department's operating appropriations (expenditures). Reallocation may not be made to or from the personal services line items. Town Council must approve all new full-time employee positions.

## ECONOMIC CONDITIONS

The Town concluded the year in excellent financial condition, as indicated in this December 31, 2016 financial report.

The local economy has improved dramatically following the economic decline which reached its lowest point in 2009 and began to improve in 2010.

Local retail sales growth, as evidenced by sales tax receipts, remained positive during the downturn. Sales tax, the Town's largest revenue source increased 7.3 percent in 2016 compared to 2015, which in turn was 8.9 percent greater than 2014. Unlike many governments across the nation and fortunately for the Town, sales tax revenues never dipped during this economic downturn. This was due to Costco, a large regional wholesale/retail warehouse, coming to the Town in August 2008. Chart 1 below illustrates the sales tax growth from 2012 through 2016.

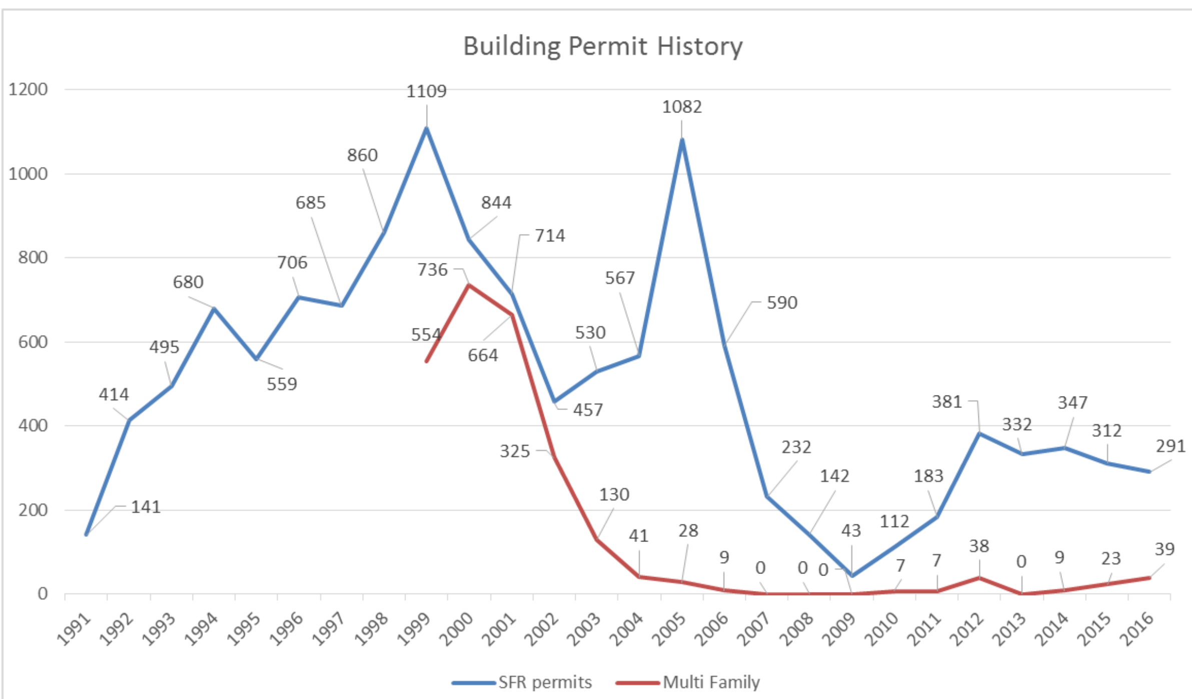
**Chart 1. Sales tax**


| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| Sales tax revenue | $28,743,462 | $30,690,827 | $33,012,695 | $35,951,556 | $38,563,621 |
| % change | 10.2% | 6.8% | 7.6% | 8.9% | 7.3% |

After a three-year decline that started in 2006, new home construction and the revenues associated with it, rebounded in 2010. In the subsequent years, the Town has seen significant improvement in construction related revenues. In 2016, use tax revenue was down 15 percent and excise tax revenue decreased by 7 percent over the prior year, due to related valuation of total building permits. However, to put the 2015/2016 trend into perspective, the number of single family residential permits issued per year between 1997 and 2006 averaged 744. Although the number of permits issued in 2016 is almost seven times the number issued in 2009, which is the lowest point of the downturn and the lowest point in 20 years, that number is still only half of the averages experienced prior to 2007. Charts 2 and 3 illustrate the historical trends for use tax, excise tax and number of single family residential permits issued.

**Chart 2. Use tax and excise tax**


**Chart 3. Building permits issued**



As the economy improved, Parker saw the unemployment rate drop steadily from a high of 7.6 percent in February 2011 to 2.1 percent at the end of 2016 and is now less than the annual average of 3.29 percent from 2003 to 2010. The Town's rate has been significantly less the past two years compared to the preceding five years and the Town has continued to fare better than the State, which had a 2.7 percent unemployment rate at the end of 2016. The national unemployment rate was 4.5 percent.

As in the previous five years, the Town developed the 2017 Annual Budget using a conservative approach. While we believe that the economy has recovered as indicated by improved unemployment rates, construction figures, housing sales and consumer confidence, we felt it prudent to continue with a realistic, yet conservative approach. Therefore, with our cautious optimism for the outlook on the economy, we projected moderate revenue increases for 2017.

Given our conservative revenue projections, we continue to build the budget on more of a zero-based approach than an incremental approach, with any incremental increases tied to inflation projections. We have returned to proper levels of infrastructure maintenance and replacement of aging equipment, both of which had been deferred from 2009 to 2011. Even though there was a right-sizing initiative that was done in early 2011 for budgetary reasons, the Town continued its efforts to keep our compensation plan based on the market in order to retain our dedicated and talented staff. In addition, the 2017 budget included several new positions to deal with the growth that the Town is experiencing.

## LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

As part of its strategic plan and the implementation of priority based budgeting in 2016, the Town Council recently developed the following strategic goals related to the Town's future in the areas of Recreation, Arts and Culture, Economic Development, Public Safety and Growth. While the Town Council realizes that these strategic goals cannot be fully funded with current resources, the Town will undertake strategic and priority driven, long-term financial planning in order to determine the feasibility and funding source for each of these initiatives, which are described below.

Support and Active Community

Parker will demonstrate our commitment to the health of our community, both indoors and out by enhancing our parks and recreational activities. We promote a healthy lifestyle and work to meet the needs of a diverse, multigenerational community.

Strategies:

- We strive to provide a variety of opportunities and experiences for all of our users based on their range of abilities, physical and economic resources, specialized needs and geographic access.
- Provide superior programs, facilities and natural amenities for our community. This will be accomplished through innovative programs, facility and public space designs, ensuring a safe and secure environment and providing an atmosphere that consistently promotes health, fitness, enrichment and inclusion.
- Build and enhance parks, biking/walking trails and outdoor recreational areas

- Support our active community by designing and implementing strategic marketing initiatives to increase awareness and patronage of Parks and Recreation facilities and programs.
- Continue to support and enhance public safety and encouragement for use of the public trail systems by providing bicycle officer patrol on trails and in neighborhoods.
- Utilize our cultural facilities to present and promote recreational activities for children and adults.
- Effectively manage building development and expansion projects to support the needs of a growing, active community.
- Constructs new trails, sidewalks and bike lane to promote community activity and accessibility, and develop downtown Parker as a pedestrian-friendly destination for all ages.
- Maintains active and visually appealing parks and open spaces for public use

## Foster Community Creativity and Engagement

Parker will stimulate community creativity and engagement through high quality cultural and educational programs and amenities. These will include family-friendly community events, accessible cultural venues, state-of-the-art public libraries and innovative lifelong learning opportunities, all of which are vital to a creative community.

Strategies:

- Promote community engagement by providing and publicizing opportunities for community involvement, participation and feedback
- Provide ongoing educational opportunities to Town businesses to enhance understanding of Town ordinances through the use of technology and face-to-face interaction
- Continue our strong efforts building community partnerships through community policing and problem solving;
- Provide innovative, engaging and relevant arts, culture, science and entertainment experiences.
- Provide opportunities for local artists and arts group to exhibit and perform.
- Provide welcoming and delightful community gathering places.
- Foster volunteer experiences that build community and create a sense of belonging
- Provide lifelong learning opportunities in the arts and sciences for youth and adults, including cultural enrichment opportunities for students in our public facilities and schools.
- Provide cultural enrichment opportunities for K-12 students in the Town's cultural facilities and in local schools.
- Develop relationships with community members through special functions, programs, education and interactive public relations messaging, Evaluate and grow our volunteer and services to expand opportunities for members of the public to dynamically engage with our departments

- We plan to meet the needs of our market in a manner that focuses on our customers and users. Through education, communication and community input, we strive for transparency, honesty and responsiveness.
- Support community events, facilities and venues through staff involvement, provision of equipment and traffic/parking control
- Supports the visual, performing, graphic and literary arts, and advances cultural enrichment
- Ensures access to quality education, technical training, information resources and lifelong learning opportunities for all ages
- Promotes a variety of community events, entertainment venues and dining opportunities that connect the community and provide for a positive environment

## Enhance Economic Vitality

Parker will become an area leader for economic growth by supporting the development of thriving businesses and industry. We will play a critical role in shaping quality of life, creating a sense of place, and providing fiscal stability for the community.

Strategies:

- Evaluate and grow current marketing tools to ensure the Town is maximizing communication dollars and utilizing effective and innovative methods of communications to meet the needs of our customers.
- Provide strong financial leadership by aligning budget and policy initiatives with priorities of the Town for long-term economic sustainability
- Strive to be good partners with all companies conducting business in our community by providing accurate and timely information, easily accessible resources and by cultivating meaningful and informative relationships with businesses.
- Continue to enhance our loss mitigation and business education programs to establish Parker as a safe and prudent location to operate a business.
- Preserve and promote Parker's history and heritage, and facilitate the adaptive reuse of historic properties.
- Develop the downtown creative district as a cultural and entertainment destination for residents and visitors and Expand Parker's creative industries.
- Provide affordable meeting spaces for local businesses to convene and network.
- Provides a safe, efficient transportation network that enables business and industry to enjoy a sustained supply chain, and maintain access by clients and customers
- Promotes quality job creation and retention, and offers a broad range of employment opportunities
- Encourages and supports the recruitment, retention and growth of a well-balanced mix of business and industry to enhance Parker's economy and provide for the needs of our residents.
- Stimulates economic growth using well-planned development, community revitalization and stable infrastructure

- Generate earned revenue from cultural programming, leveraging the Town's financial investment.

## Promote a Safe and Healthy Community

Parker will promote the public health and safety of our community by protecting our residents' welfare through prevention services and a safe transportation network. Parker fosters a feeling of personal safety and security through a visible, responsive public safety presence and a proactive focus on prevention, intervention and safety education.

Strategies:

- Develops a secure, reliable and sustainable network for the future. Creates a proactive security system to protect our organization and our residents
- The Finance Department will successfully safeguard and manage Town assets while maintaining the integrity of the expenditure of public funds. The Finance Department will provide top notch customer service and financial expertise built on solid ethical standards, professional integrity and strong financial leadership.
- Continue to research and develop our approach to crime prevention through evidence based policy, procedure, criminal investigations, trend analysis and resource deployment.
- Collaborate with other regional governments, and enhance our advanced approach to emergency management training and disaster/recovery preparedness through a shared emergency management coordinator position.
- Continue to maximize and research enhancements for the accurate and timely use of public safety notifications through emerging technology, social media and all media outlets, to ensure that members of the public can rely on our agency for accurate need-to-know information.
- Design and manage our programs and amenities to be both flexible and attainable with the goal of providing affordable, accessible opportunities that respond to the diverse needs of our community, and ensure cultural facilities are accessible and safe. (Cultural)
- Through development of effective traffic & transportation management programs for drivers, bicyclists and pedestrians, we supports our stakeholders' safety and ongoing health
- Plans, prepares, trains and evaluates capabilities for both emergency response and the recovery of critical infrastructure for our internal and external partners
- Provides a safe, clean and stable community environment
- Provides assurance of regulatory and policy compliance to mitigate risk and exposure to liability
- Builds and improves adequate infrastructure, including a system of well-maintained, safe and reliable roads
- Protects the community by enforcing the law, preventing crime, and is an active, reliable source of emergency communications and support services
- Fosters a feeling of community safety by proactively engaging our residents in prevention, intervention and safety education programs
- Fosters a sense of community belonging and connection to engage residents in protecting the safety and well-being of their community – thriving environment
- Provides for high-quality and reliable service during times of emergency for

- Increases public awareness of their role in
- Where community members look out for each other and residents take an active role in protecting the surrounding environment

## Innovate with Collaborative Governance

Parker will support transparency, accountability, and fiscal sustainability by using innovative techniques to optimize performance. We engage in regional relationships and governing partnerships, including our education, fire, and water agencies. Parker supports a high quality, dedicated workforce to support these goals.

Strategies:

- Supports the infrastructure technology of the organization and uses efficient, cost-effective solutions to problems in the technology environment
- Works closely with departments to help them achieve their goals and improve customer service to our residents. Provides quick, effective solutions to technological issues in the organization.
- Partner with Town Departments to provide timely and cohesive information to our community to ensure that our public is educated, informed and involved.
- Work collaboratively with other Town departments and external stakeholders to meet the priorities of Town Council and Parker citizens.
- Enhance and improve communication within the organization to ensure that employees feel heard and valued, and are informed about Town projects and initiatives.
- Promote transparency and trust by developing efficient processes and systems that allow easy access to Town fiscal data and information
- Regularly examine workflows and develop and/or upgrade systems, applications and processes to achieve greater efficiencies with the Town and its departments.
- Regularly examine fiscal policies to identify and implement opportunities to improve accuracy, effectiveness and transparency to ensure all fiduciary responsibilities are met
- Maintain transparency and accountability in the management of public funds by providing easily accessible Town financial information to its customers in a variety of formats.
- Obtain critical re-accreditations and verify the agencies policies and practices meet the highest standard in law enforcement for accountability, transparency and professionalism.
- Research, invest in and implement emerging technology to ensure transparency and accountability, and improve service delivery.
- Continue to be recognized as a progressive and cutting-edge agency by participating in pilot programs such as electronic discovery with the DA's office and electronic subpoena delivery.
- We seek and encourage partnerships that result in collaborative planning and learning, and share the responsibility of achieving a common vision for the Parker community.
- Develop partnerships with local and regional cultural organizations that enhance and extend the Town's diverse programming.

- Facilitate citizen input on organizational services and programs through surveys and other feedback methods to better assess the needs of the Town
- Engage in collaborative efforts with other agencies and jurisdictions through intergovernmental agreements
- Renovates facilities to comply with regulations and upgrade to make them more energy efficient and environmentally conscious for efficiency

## Develop a Visionary Community through Balanced Growth

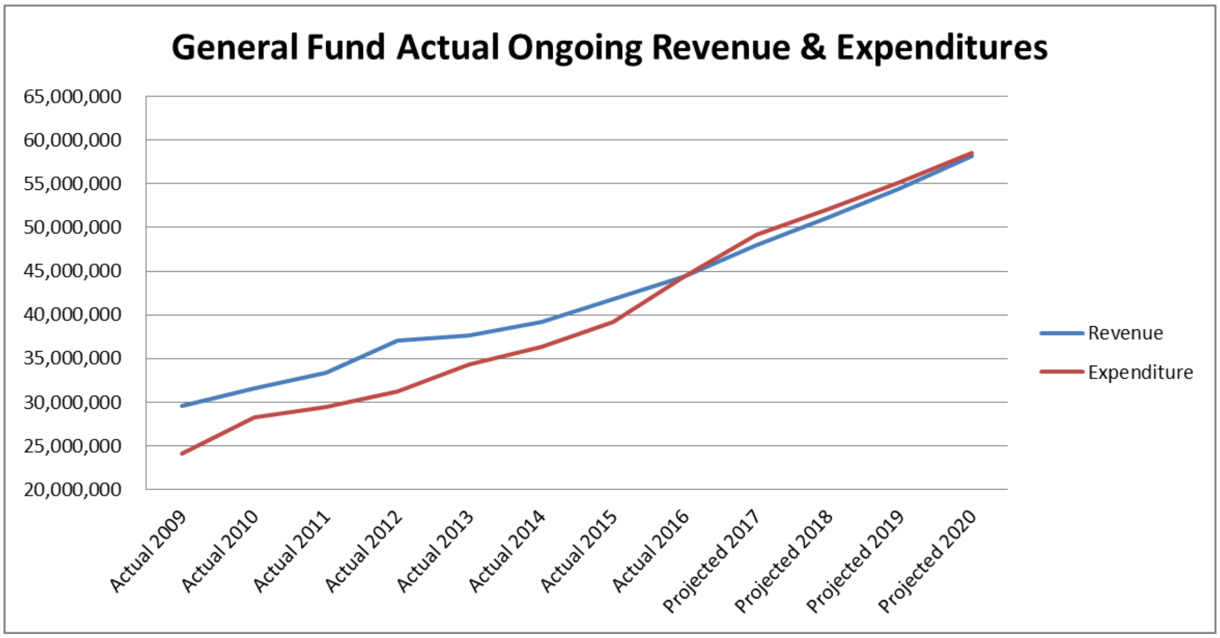
Parker will demonstrate our commitment to balanced growth, community development and infrastructure using a visionary plan for a sustainable future. We support a healthy, future-focused community with exceptional services and a hometown feel. Parker supports well-planned development supported by excellent infrastructure.

Strategies:

- We use innovative tools and business ideas to evolve our online tools for residents. We work to be an area leader in technological services by researching emerging technologies and support networks to better serve our residents and organization
- Develop a priority based, results driven annual budget to ensure that all services to our citizens, businesses and visitors are maintained. The Town's long-term financial well-being will be fostered through detailed review of historic financial conditions and responsible forecasting of future trends.
- Enhance employee hiring, retention and career development to ensure that our human resource infrastructure is strengthened based on strategic recruitment, enhanced continuing education, and a positive & supportive work environment.
- Research and implement a revitalized and proven infrastructure for all Town and police records
- We foster Parker's "small town feel" through an integrated park and recreation management approach that considers the natural environment, technology, community identity, physical resources and financial operations. Our goal is maintaining or adapting these resources so they may be enjoyed and utilized in a manner that benefits both current and future generations.
- Brand Parker as a creative community in which to live, work and play.
- Engage in ongoing planning to develop cultural programs that best serve our growing population and changing demographics.
- Works closely with the development community to seek sustainable and practical solutions to design or regulatory challenges across our community.
- Works closely with other departments within our organization to support development projects and planning
- Uses survey data, citizen polls and public forums to collect information from our community and area stakeholders to create a stable vision for the future, including future developments and town projects.
- Manages balanced, sustainable growth and promotes well planned strategic development
- Uses sustainable energy and conservation techniques

## RELEVANT FINANCIAL POLICIES

It is the Town's policy to maintain at least two months of operating expenditures (16.7 percent of the annual budgeted expenditures) in the fund balance of the General Fund. As of December 31, 2016, the actual fund balance of $20.9 million was 47 percent of the General Fund actual expenditures. This is a very healthy fund balance and it is the intention to utilize the excess strategically to take advantage of opportunities as they arise. The Town does not monitor revenues and expenditures in the aggregate, but rather breaks out one-time revenues and expenditures from ongoing revenues and expenditures. This allows the Town the ability to ensure that ongoing expenditures are not exceeding ongoing revenues in both the near and long term. The expiration of economic incentive agreements, strong management of expenditures and economic improvement resulting in improving revenues; however, should continue to keep the Town in a positive position. In the event that expenditures begin to "catch-up" to revenues, the Town will take necessary actions to address the situation.




## CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2015. This was the 27th consecutive year that the Town has achieved 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 that our current comprehensive annual financial report continues to meet the requirements of Certificate of Achievement Program and we are submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGEMENTS**

We wish to extend our sincere appreciation to the Town's entire Finance Department staff. Another year and report are successfully completed due to the hard work and dedication of each member of the department, especially Accountant Glenn Murray. We would also like to offer special thanks to our independent auditors, CliftonLarsonAllen, LLP, for the professional manner in which they completed our audit. Thank you to our department leaders and managers for their continued diligence and attention to Town financial matters. Finally, we thank the Town Council and our Mayor for their interest and support in planning and conducting the financial operations of the Town.

Respectfully submitted,

| | |
|---|---|
| Michelle Kivela | Rhonda Willey |
| Acting Town Administrator | Accounting Manager |

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of Parker**

**Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

# 2016 TOWN OFFICIALS

**Mayor**

Mike Waid

**Councilmembers**

John Diak

Amy Holland

Renee Williams

Debbie Lewis

Josh Martin

Joshua Rivero

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**Appointed Officials**

Town Administrator ............ G. Randolph Young
Town Attorney.........................James S. Maloney
Municipal Judge.................................Kevin Sidel

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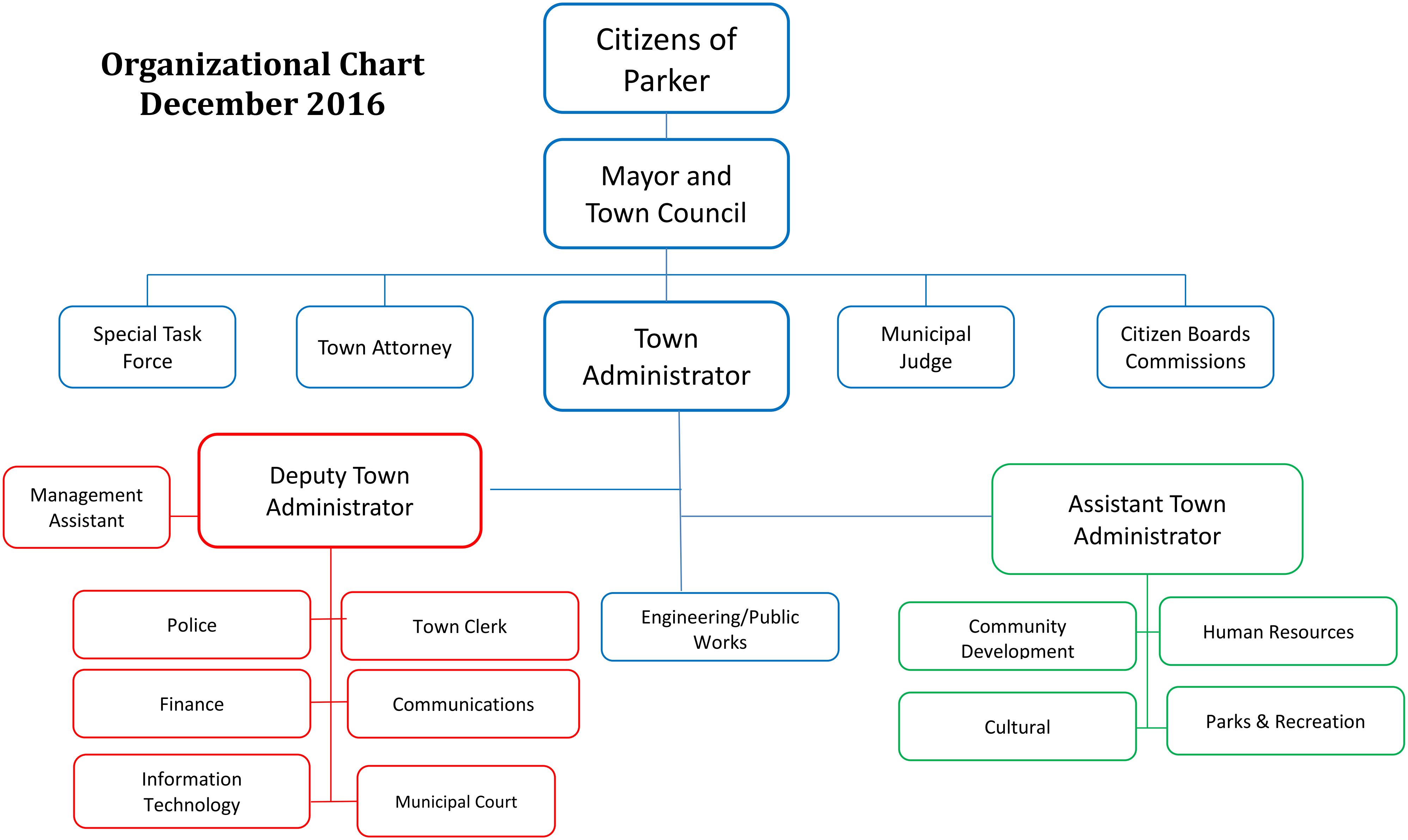
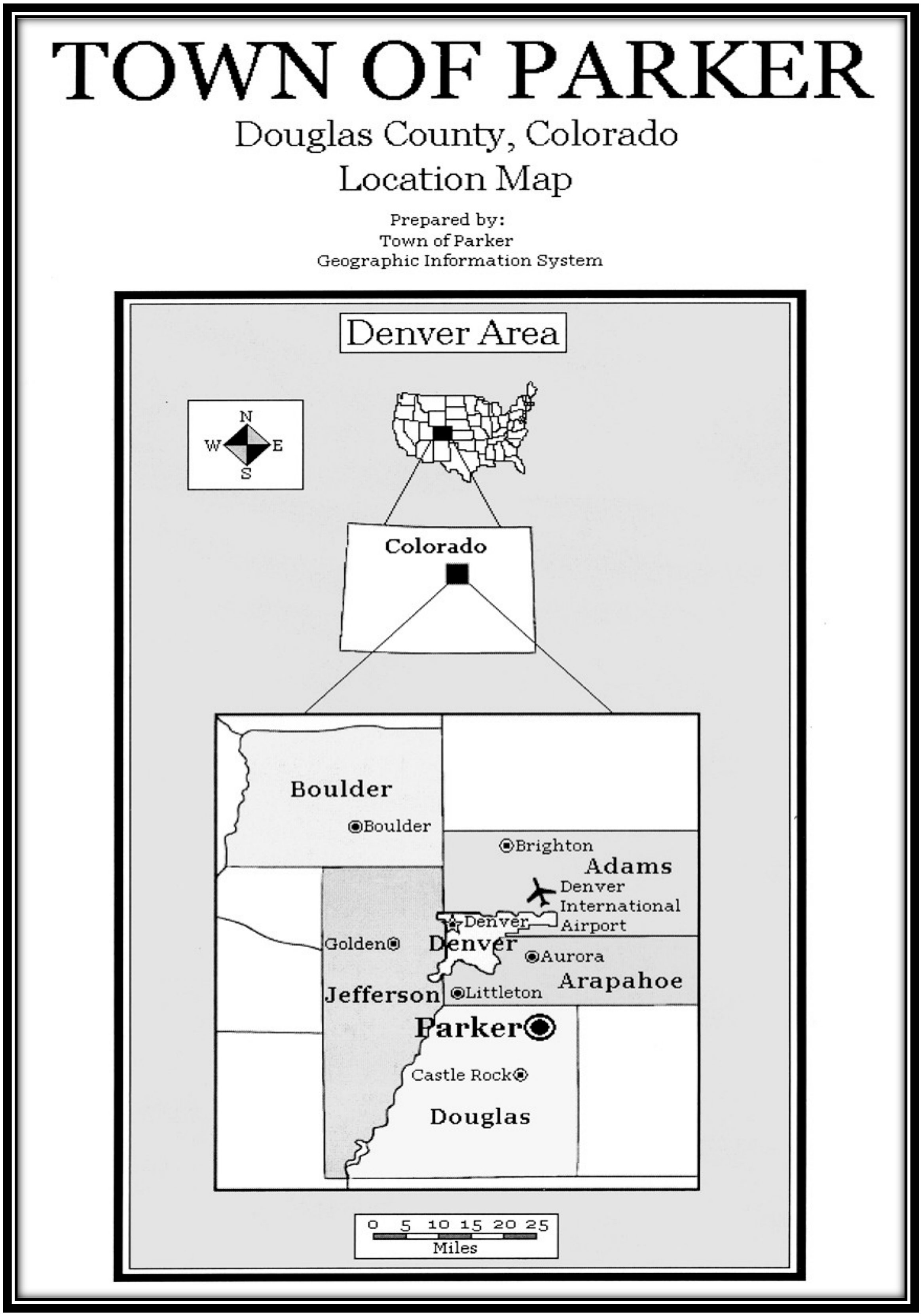
**Department Directors**

Deputy Town Administrator ....................Michelle Kivela
Assistant Town Administrator ....................Vacant
Town Clerk....................Carol Baumgartner
Community Affairs .................... Elise Penington
Community Development ....................John Fussa
Cultural....................Elaine Mariner
Finance....................Donald Warn
Human Resources....................Melisa Geringer
Information Technology.................... Michael Aggson
Parks and Recreation....................Jim Cleveland
Police Chief.................... David King
Public Works and Engineering ....................Thomas Williams

# Organizational Chart
# December 2016




TOWN OF PARKER
Douglas County, Colorado
Location Map
Prepared by:
Town of Parker
Geographic Information System
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Brighton
Adams
Denver
International
Airport
Denver
Golden
Denver
Aurora
Arapahoe
Jefferson
Littleton
Parker
Castle Rock
Douglas
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Miles

# FINANCIAL SECTION

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT**

Town Council
Town of Parker, Colorado
Parker, Colorado

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Parker, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements 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. 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' judgment, 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 entity's 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 entity's 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, each major fund, and the aggregate remaining fund information of the Town of Parker, Colorado as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, the Parks and Recreation Fund, the Cultural Fund, Recreation Fund, Public Improvements Fund, and Excise Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, and schedule of employer contributions (collectively the required supplementary information) as noted 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 required supplementary 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Parker, Colorado's basic financial statements. The combining and individual fund financial statements and schedules, budgetary schedules, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Town Council
Town of Parker, Colorado

The combining and individual fund financial statements and schedules, budgetary schedules, and 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 such 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 combining and individual fund financial statements and schedules, budgetary schedules, and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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.

CliftonLarsonAllen LLP

**CliftonLarsonAllen LLP**

Greenwood Village, Colorado
June 7, 2017

PARKER

COLORADO

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COLORADO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Parker (Town), we offer the readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2016. We encourage readers to consider the information presented, along with additional information provided in the letter of transmittal (beginning on page 5) when reviewing the financial statements, which begin on page 42.

### FINANCIAL HIGHLIGHTS

- At the end of 2016, the value of the Town's total net position was $643.8 million. Of this net position amount, $27.3 million is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's total net position increased by $29.9 million in 2016. This increase came primarily from the increase in sales and uses tax, excise tax and developer contributions.

- Sales and use tax in the General Fund increased from $30.2 million to $32.3 million or 6.8 percent. Sales tax is the Town's largest revenue source and is 70.8 percent of the total General Fund revenue.

- The Town reduced its total outstanding debt by $2,935,000 in 2016 leaving a balance of $63,965,000 at year end, down from $66,900,000 outstanding at the end of 2015. Outstanding debt at the end of 2016 consists of $8,985,000 in a refunding note (issued to refund the 2006 sales and use tax revenue bonds), $36,925,000 in certificates of participation (issued to construct the Police Station and PACE Center) and $18,055,000 in certificates of participation (issued to construct the Public Works Facility and expansion of the Recreation Center).

- At the end of 2016, the Town's governmental funds reported combined fund balances of $63.3 million, an increase of $4 million from the prior year. This combined increase in fund balance is the result of increased revenues and less expenditures for major capital projects compared to 2015.

- At the end of 2016, the unassigned fund balance of the General Fund was $7.4 million, which is 17 percent of total General Fund expenditures. The Town's fund balance policy amount is 16.7 percent.

- Major capital asset events that occurred in 2016 include $8.3 million for the Chambers Road widening from Mainstreet to Newlin Gulch, $8.1 million for Discovery Park, $2.0 million towards the East Mainstreet site development, $1.2 million towards the ongoing Schoolhouse renovation, $541,400 for the Stroh Ranch parking lot expansion, $381,600 for the ongoing construction of the dog park.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of 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.

### Government-wide financial statements

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

*The statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources with the difference 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 Town is improving or deteriorating.

*The statement of activities* presents information showing how the Town's net position changed during the most recent 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 are reported in this statement for some items that will result in cash flows in a future period (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements differentiate functions of the Town that are primarily supported by taxes and intergovernmental revenues (governmental activities) from those 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 Town include general government; public safety; highways and streets; economic development; and culture and recreation. The business-type activity of the Town is its stormwater utility function.

The government-wide financial statements include the Town itself and blended component units: the Parker Authority for Reinvestment (PAR) and the Greater Parker Foundation (GPF). These component units, although legally separate, are included as a part of the financial statements since the Town has financial accountability for these entities.

The government-wide financial statements can be found on pages 42 and 43 of this report.

### 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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheets and in the governmental funds statements of revenues, expenditures and changes in fund balances for the General Fund, Parks and Recreation, Cultural, and Recreation special revenue funds and the Public Improvements and Excise Tax capital improvement funds, all of which are considered to be major funds. Data from the 7 other governmental funds are aggregated into a single "other governmental funds" column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 44-55 of this report.

The Town adopts an annual appropriated budget for all funds, except fiduciary funds. To demonstrate compliance, a budgetary comparison statement is provided for the governmental funds statements of revenues, expenditures and changes in fund balances for the General Fund, Parks and Recreation, Cultural, and Recreation funds. Similar budgetary compliance schedules are provided for the other funds elsewhere in this report.

**Proprietary funds.** The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions as presented in the business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the stormwater utility function. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for fleet services, technology management, facility services and health benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information on the Stormwater Utility enterprise fund. The internal service funds are aggregated into a single column presentation. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 56-58 of this report.

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

The basic fiduciary fund financial statement can be found on page 59 of this report.

### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 61-88 of this report.

### Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplemental information concerning the net pension liability (asset) and related contributions. These schedules can be found on pages 91-92 of this report.

### Other information

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 96-120 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the Town's financial position. The two tables below reflect the Town's net position and the changes in net position. Table 1 - Net Position illustrates the Town's total assets, deferred outflow of resources, liabilities, and deferred inflows of resources and resulting net position (assets minus liabilities and deferred inflows of resources) at the end of 2016 with a comparison to 2015. As of December 31, 2016, the Town had total assets of $723 million compared to $692 million in 2015 and at the end of 2016, the value of the Town's total net position was $643.9 million greater than the Town's total liabilities and deferred inflows of resources (net position).

**Table 1. Net Position**
**(in thousands)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** |
| Current and other assets | $ 65,457 | $ 70,321 | $ 4,211 | $ 3,098 | $ 69,668 | $ 73,419 |
| Capital assets | 644,129 | 609,427 | 9,287 | 9,180 | 653,416 | 618,607 |
| Total assets | 709,586 | 679,748 | 13,498 | 12,278 | 723,084 | 692,026 |
| Total deferred outflows of resources | 1,807 | 495 | - | - | 1,807 | 495 |
| Long-term liabilities outstanding | 67,013 | 69,672 | 54 | 57 | 67,068 | 69,729 |
| Other liabilities | 11,742 | 6,853 | 446 | 150 | 12,188 | 7,003 |
| Total liabilities | 78,755 | 76,525 | 501 | 207 | 79,256 | 76,732 |
| Total deferred inflows of resources | 1,795 | 1,866 | - | - | 1,795 | 1,866 |
| Net position: | | | | | | |
| Net investment in capital assets | 579,627 | 541,402 | 9,287 | 9,180 | 588,914 | 550,582 |
| Restricted | 27,077 | 30,505 | 533 | 447 | 27,609 | 30,952 |
| Unrestricted | 24,140 | 29,945 | 3,177 | 2,444 | 27,317 | 32,389 |
| Total net position | $ 630,843 | $ 601,852 | $ 12,997 | $ 12,071 | $ 643,840 | $ 613,923 |

By far, the largest portion of the Town's assets is capital assets, which total $653.4 million or 90.4 percent of total assets.

Capital assets include items such as infrastructure, buildings, machinery and equipment, land and intangible assets. Infrastructure includes streets, curb, gutter and sidewalks, traffic signals, stormwater structures and trails. Intangible assets include rights-of-way and easements, which are related to Town streets and stormwater infrastructure. The Town uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Additionally, although the Town'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. Additional information on the Town's assets can be found in the Notes to the Financial Statements, which start on page 65.

The Town's outstanding long-term debt, which consists of 2009 certificates of participation issued to construct the police station and PACE Center, 2014 certificates of participation issued to construct the public works facility and recreation center expansion and 2015 sales and use tax revenue refunding note issued to refund the 2006 sales and use tax revenue bonds, was reduced by $2,935,000. Additionally, of the Town's $643.8 million in net position, $27.4 million or 4.3 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position $28 million or 4.4 percent may be used to meet the Town's ongoing obligations to citizens and creditors.

**Governmental Activities**

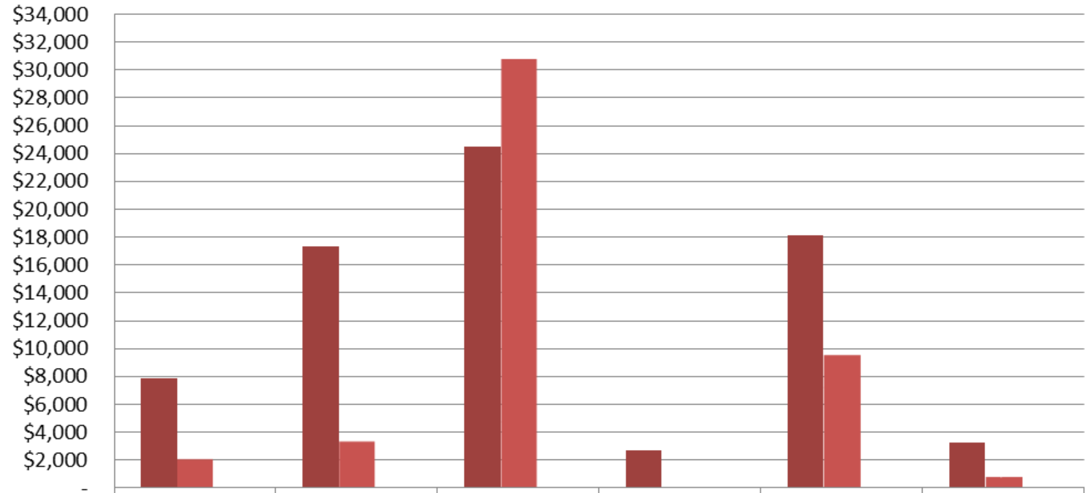
Table 2 - Changes in Net Position (above), illustrates total Town revenues and expenses in 2016 compared to 2015 for Governmental Activities and Business-type Activities. Total governmental activities revenues increased approximately $13.8 million from $88.8 million in 2015 to $102.6 million in 2016. The increase consisted mostly from capital contributions which increased $7.4 million in 2016 compared to 2015. Capital contributions consist primarily of developer-dedicated infrastructure and this can vary substantially from year to year depending on the amount of developer-constructed infrastructure completed in any given year.

Sales and use tax revenue increased $2.8 million and charges for services increased $1.9 million. Total governmental activities expenses increased $6.7 million from $67.1 million in 2015 to $73.8 million in 2016. Most of the increase is related to cultural and recreation due to the increasing costs for expanded services, public safety due to increase in services and highways and streets due to an increase in repairs and maintenance for streets and bridges.

**Table 2. Changes in Net Position**
**in Thousands**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| **Revenues** | | | | | | |
| **Program revenues** | | | | | | |
| Charges for services | $ 12,745 | $ 10,858 | $ 2,051 | $ 1,987 | $ 14,796 | $ 12,845 |
| Operating grants and contributions | 1,347 | 1,316 | - | - | 1,347 | 1,316 |
| Capital grants and contributions | 32,431 | 25,002 | 308 | 817 | 32,739 | 25,819 |
| **General revenues** | | | | | | |
| Taxes | | | | | | |
| Sales and use | 42,280 | 39,470 | - | - | 42,280 | 39,470 |
| Property | 1,873 | 1,591 | - | - | 1,873 | 1,591 |
| Franchise | 959 | 921 | - | - | 959 | 921 |
| Excise – electric | 1,109 | 1,076 | - | - | 1,109 | 1,076 |
| Excise taxes – new development | 2,798 | 2,065 | - | - | 2,798 | 2,065 |
| Sales and use - county shareback | 2,826 | 2,766 | - | - | 2,826 | 2,766 |
| Road and bridge - county shareback | 1,417 | 1,239 | - | - | 1,417 | 1,239 |
| Highway users | 1,411 | 1,385 | - | - | 1,411 | 1,385 |
| Other General Revenues | 1,022 | 923 | - | - | 1,021 | 923 |
| Unrestricted investment earnings | 391 | 186 | 24 | 10 | 415 | 196 |
| Total revenues | 102,609 | 88,798 | 2,384 | 2,814 | 104,994 | 91,611 |
| **Expenses** | | | | | | |
| General government | 7,884 | 7,808 | - | - | 7,884 | 7,808 |
| Public safety | 17,299 | 14,828 | - | - | 17,299 | 14,828 |
| Highways and streets | 24,486 | 23,469 | - | - | 24,486 | 23,469 |
| Economic development | 2,710 | 1,759 | - | - | 2,710 | 1,759 |
| Culture and recreation | 18,147 | 15,672 | - | - | 18,147 | 15,672 |
| Interest on long-term debt | 3,280 | 3,562 | - | - | 3,280 | 3,563 |
| Stormwater | - | - | 1,272 | 1,506 | 1,272 | 1,507 |
| Total expenses | 73,805 | 67,098 | 1,272 | 1,506 | 75,077 | 68,605 |
| **Contributions and transfers in / (transfers out)** | | | | | | |
| Transfers in / (transfers out) | 186 | 185 | (186) | (185) | - | - |
| Total contributions and transfers | 186 | 185 | (186) | (185) | - | - |
| Increase in net position | 28,990 | 21,885 | 926 | 1,123 | 29,917 | 23,006 |
| Net position – beginning | 601,852 | 577,641 | 12,071 | 10,949 | 613,923 | 588,590 |
| Prior Period Adjustment | - | 2,327 | - | - | - | 2,327 |
| Net Position as Restated | 601,852 | 579,967 | - | - | 601,852 | 579,967 |
| Net position – ending | $ 630,842 | $ 601,852 | $ 12,997 | $ 12,071 | $ 643,840 | $ 613,923 |

**Chart 4. 2016 Expenses and Program Revenues - Governmental Activities (in thousands)**




| | General government | Public safety | Highways and streets | Economic development | Culture and recreation | Interest on long-term debt |
|---|---|---|---|---|---|---|
| Expenses | $7,884 | $17,299 | $24,485 | $2,710 | $18,147 | $3,280 |
| Program Revenues | $2,056 | $3,348 | $30,783 | - | $9,541 | $796 |
| Rev % of Exp | 26% | 19% | 126% | 0% | 53% | 24% |

Chart 4 illustrates the extent to which the governmental activity functions are covered by program revenues: user charges, grants and contributions. As with most governments, the majority of the services provided to citizens are funded through various taxes and not program revenues. One exception in 2016 is highways and streets, which received nearly $30 million in developer-contributed infrastructure.

Chart 5. Revenues by Source - Governmental Activities

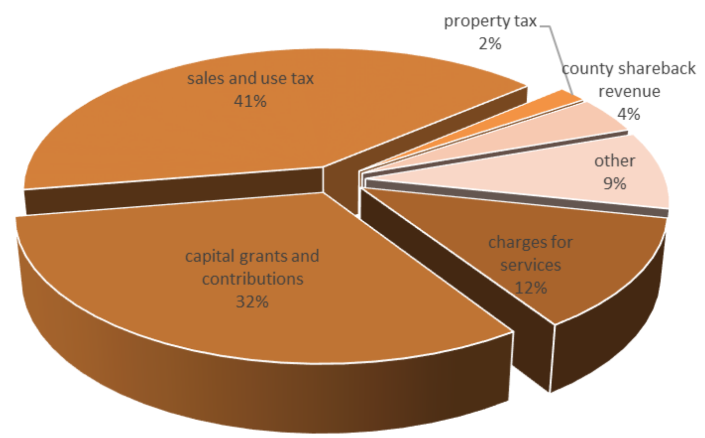


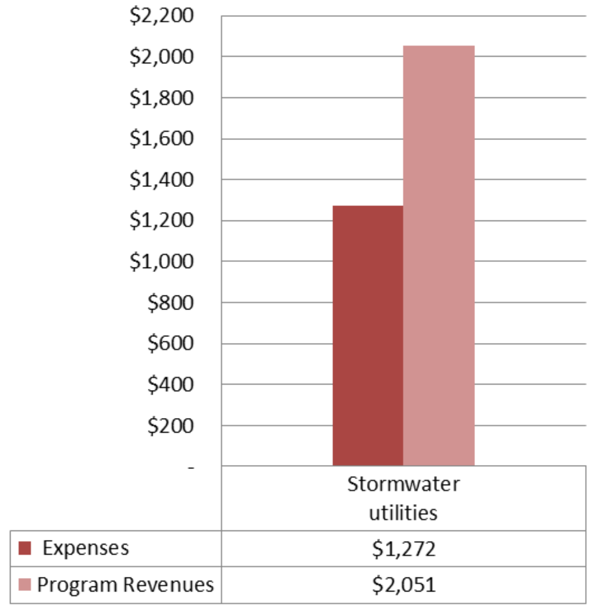

Chart 5 shows the primary sources of revenues that are used to finance governmental activities. As indicated, sales and use taxes are the primary source of revenue for the Town accounting for 41 percent of the revenues in 2016. Property tax, on the other hand, represented only 2 percent of the Town's funding. Capital grants and contributions represented 32 percent of the revenue in 2016; however, as stated before, this is primarily developer-donated infrastructure that can vary widely from year to year.

### Business-type Activities

The Town's only business-type activity is stormwater management. As seen in Table 2 (page 31), Stormwater Utility Fund net position increased $926,000. Overall revenues decreased 13 percent or $316,000. The decrease is related to a decrease in developer-contributions. Expenditures decreased 16 percent or $233,000.

As Chart 6 shows, stormwater revenues exceeded expenses for 2016, adding to the funds available for future infrastructure improvements and increasing repair and maintenance costs. Operating expenses are funded entirely by stormwater utility fees charged to residential and commercial property based on their impervious area.

**Chart 6. 2016 Expenses and Program Revenues - Business-type Activities (in thousands)**




## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The following discussion narrows the focus from government-wide activities to the Town's governmental funds. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Chart 7. General Fund Components of Fund Balance (in thousands**

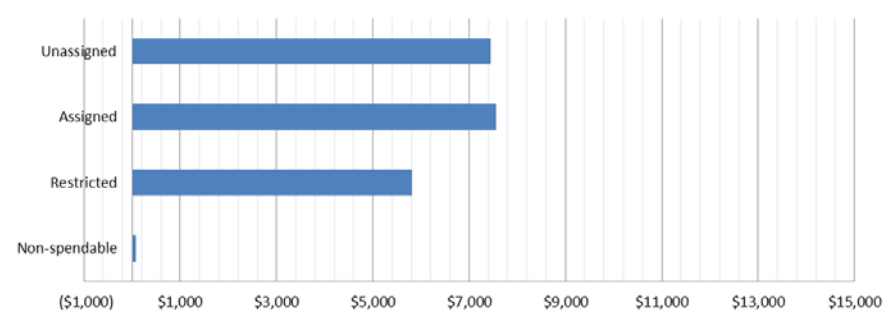
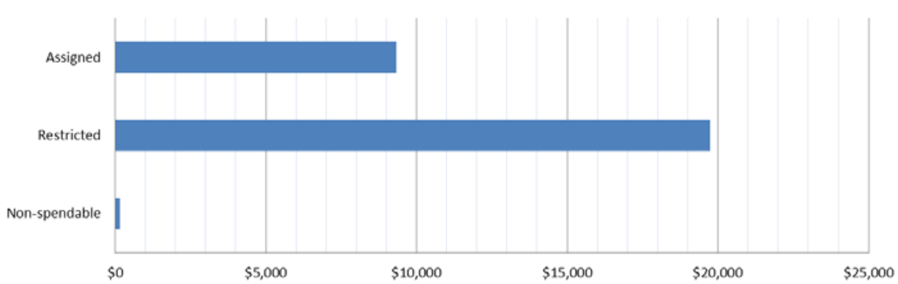



**Chart 8. Other Governmental Funds Components of Fund Balance (in thousands)**




### Governmental funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for discretionary use. As such, it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town Council.

At the end of 2016, the Town's governmental funds reported combined fund balances of $50.3 million, an increase of $4 million in comparison to the prior year. Approximately 15 percent of this amount ($7.4 million) constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is 1) not in spendable form ($224,000), 2) restricted for particular purposes ($25.7 million), or 3) assigned for particular purposes ($16.9 million).

*General Fund.* The General Fund is the chief operating fund of the Town. At the end of 2016, unassigned fund balance of the general fund was $7.4 million, while total fund balance was $20.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 17 percent of total General Fund expenditures, while total fund balance represents approximately 47 percent of the same amount.

**Chart 9a. 2016 General Fund Revenue**

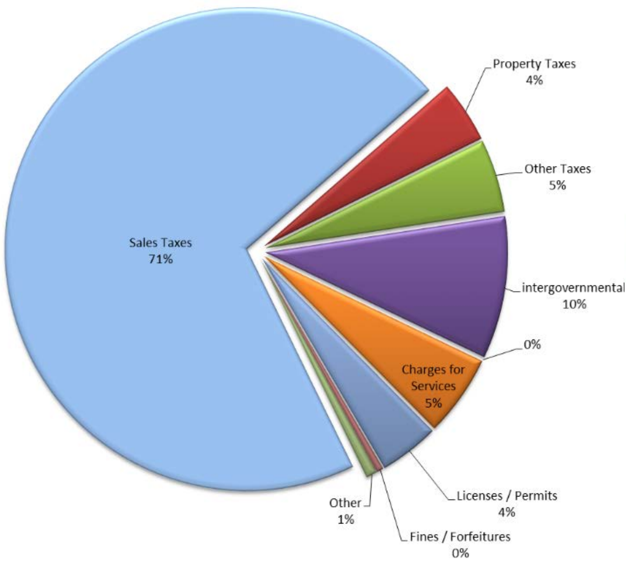
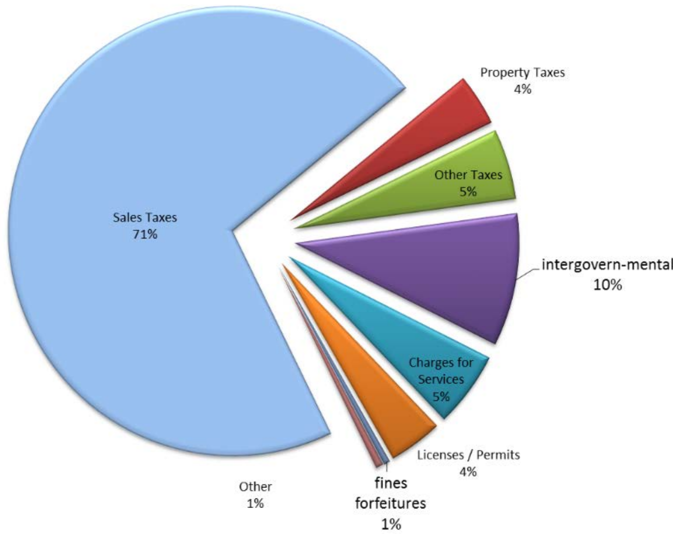



**Chart 9b. 2015 General Fund Revenue**




The fund balance of the General Fund decreased $2.2 million in 2016. Revenues increased in 2016, primarily due to the increase in sales and use tax and expenditures increased due to an increase of overall spending specifically in the police department due to an increase of eight full time employees, creating the overall decrease. Unrestricted fund balance, which is neither restricted nor non-spendable, is 47 percent of expenditures. The Town's policy is that fund balance maintains two months of expenditures or 16.7 percent. The fund balance is very healthy; however, it will decline, as planned, one-time expenditures are projected to exceed revenues for the next several years.

Chart 9 illustrates the percentage of each type of revenue the Town receives during the year and also demonstrates the consistency of the General Fund revenue with the previous year. As in 2015, taxes were the largest source of revenue at 79.8 percent of total General Fund revenues. Sales tax, which increased from $30.2 million to $32.3 million or 6.8 percent, makes up 89 percent of those taxes, as well as 71 percent of the total General Fund revenue.

*Parks and Recreation Fund.* The Parks and Recreation Fund, a major fund, ended the current year with a total fund balance of $7.2 million restricted fund balance. The restriction of fund balance is for the 0.50 percent sales tax that was voted on by the Town's citizens in 1990 to be earmarked for parks and recreation improvements. Fund balance decreased $6.4 million primarily due to the completion of Discovery Park.

*Cultural Fund.* The Cultural Fund accounts for the operations of the PACE Center and Schoolhouse. It is classified as major funds for the Scientific Cultural Facilities District (SCFD) Tier II grant requirements. The fund ended the current year with a total fund balance of $1.0 million, consisting of $134,300 of nonspendable fund balance for prepaid items such as insurance premiums and $889,100 of assigned fund balance. Increases in operating expenditures from productions and capital outlay for the Schoolhouse renovation at the PACE Center resulted in a decrease in fund balance of $171,600.

*Recreation Fund.* The Recreation Fund, also a major fund, ended the current year with a total fund balance of $1.0 million, consisting of $13,000 of nonspendable fund balance for prepaid items such as insurance premiums, $57,000 restricted fund balance from developer contributions, and $964,300 of assigned fund balance. Fund balance decreased by $349,000 primarily due to increased expenditures of programming compared to charges for services.

*Public Improvements Fund.* The Public Improvements Fund, also a major fund, ended the current year with a total fund balance of $12.5 million, consisting of $5.0 million restricted fund balance and $7.5 million assigned fund balance. Restricted fund balance consists primarily of funds ($4.8 million) received from developers for various future streets capital projects. Fund balance, which can increase or decrease significantly in this fund depending on the level of capital projects planned in a given year, decreased $2.1 million. It is anticipated that fund balance will decrease significantly in the following year due to the completion of the construction of a major road project.

### Proprietary funds

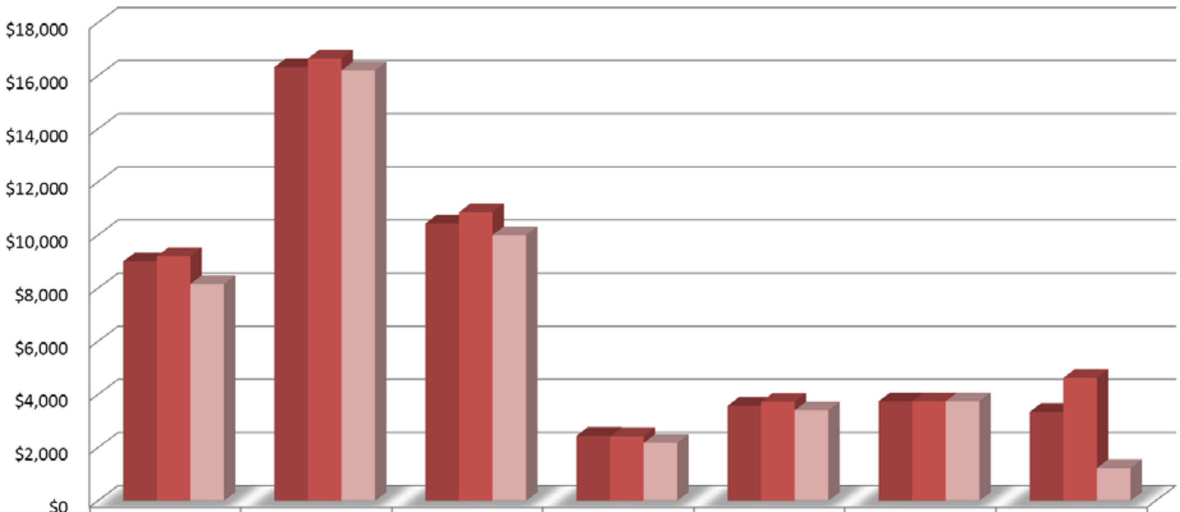
The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of the proprietary stormwater fund have already been discussed above in the Town's business-type activities section.

## GENERAL FUND BUDGETARY HIGHLIGHTS

In 2016, the General Fund's original budgeted expenditures and other financing uses of $48.9 million increased $2.4 million (4.8 percent) to a final amended budget of $51.2 million. The increase is primarily due to re-appropriated funds for unfinished projects and purchases in 2015.

A total of $44.9 million was actually spent compared to a final budget of $51.2 million. Of the $6.3 million budget-to-actual variance, $16.8 million will be re-appropriated in 2017 for unfinished projects and purchases; the remaining variance is attributed to unspent budget contingency and other line items coming in under budget. Chart 10 shows a summary of the year's overall increases in the budget and budget-to-actual variances, comparing the 2016 original and final budgets to actual expenditures.

**Chart 10. Comparison of actual expenditures to the original and final budget (in thousands)**




| | general government | public safety | highways and streets | economic development | culture and recreation | debt service | capital outlay |
|---|---|---|---|---|---|---|---|
| original | $9,010 | $16,322 | $10,442 | $2,446 | $3,575 | $3,744 | $3,348 |
| final | $9,205 | $16,651 | $10,861 | $2,430 | $3,724 | $3,744 | $4,625 |
| actual | $8,161 | $16,200 | $10,001 | $2,177 | $3,406 | $3,744 | $1,235 |

**Table 3. Town Capital Assets (net of depreciation)**
**(in thousands)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** | **2016** | **2015** |
| Land | $ 88,511 | $ 87,561 | - | - | $ 88,511 | $ 87,561 |
| Intangible assets | 258,510 | 239,092 | - | - | 258,510 | 239,092 |
| Construction in progress | 27,265 | 22,815 | 285 | 1,181 | 27,550 | 23,996 |
| Buildings | 77,100 | 64,419 | - | - | 77,100 | 64,419 |
| Improvements other than buildings | 30,825 | 30,926 | - | - | 30,825 | 30,926 |
| Machinery and equipment | 7,013 | 5,796 | 20 | 11 | 7,033 | 5,807 |
| Infrastructure | 154,904 | 158,817 | 8,982 | 7,988 | 163,886 | 166,805 |
| Total | $ 644,128 | $ 609,426 | $ 9,287 | $ 9,180 | $ 653,415 | $ 618,606 |

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Table 3 illustrates the Town's capital assets (net of depreciation). At the end of 2016, the Town had $653.4 million (net of accumulated depreciation) invested in a broad range of capital assets including equipment, buildings, parks and recreation facilities, roads, bridges and stormwater facilities. This amount represents a total net increase of $34.8 million (5.6 percent) over last year.

Major capital asset events that occurred during the current year include the following:

- Construction in progress for the widening of Chamber Road for $8.3 million
- Construction in progress of the new Discovery Park for $8.1 million
- Construction in progress for the East Mainstreet site development for $2.0 million
- Construction in progress for the Schoolhouse renovation for $1.2 million
- Completion of the Stroh Ranch parking lot expansion for $541,400
- Construction in progress for the dog park for $381,600
- Developer contributions of right of ways for $18.7 million

Additional information on the Town's capital assets can be found in Note 4B to the financial statements on pages 75-76 of this report.

### Long-term Debt

At the end of 2016, the Town had total outstanding debt of $63,965,000 down from $66,900,000 outstanding at the end of 2015. This outstanding debt consists of $8,985,000 in a refunding note with pledged sales and use tax revenue for repayment, $36,925,000 in certificates of participation, in which the new Police Station and PACE Center serve as collateral and $18,055,000 in certificates of participation, in which the new public works facility and Town Hall serve as collateral. All outstanding debt is related to governmental activities; no debt has been issued for business-type activities.

The Town's total debt decreased $2,935,000 during the current fiscal year due to principal payments of $1,300,000 on the 2009 certificates of participation and $740,000 on the 2014 certificates of participation, $895,000 on the 2015 refunding note of the 2006 sales and use tax bonds.

**Town Outstanding Debt**

| | 2016 | 2015 |
|---|---|---|
| Sales and Use Tax Revenue Refunding Note Series 2015 | 8,985,000 | 9,880,000 |
| Certificates of Participation, Series 2009 | 36,925,000 | 38,225,000 |
| Certificates of Participation, Series 2014 | 18,055,000 | 18,795,000 |
| Total | $ 63,965,000 | $ 66,900,000 |

The Town does not have any limitations on the amount of debt that may be issued; however, there is a requirement to have an affirmative vote of the citizens to authorize any debt issuance. Certificates of participation are not considered long-term debt for legal purposes because payments are subject to annual appropriation; therefore, they do not require voter approval for issuance.

The Town received the authorization by voters to issue $12.5 million of general obligation bonds for the purpose of acquisition of open space and parks land. This has not been utilized.

The Town maintains an AA credit rating from Standard & Poor's for the 2009 Certificates of Participation and 2014 Certificates of Participation.

Note 4F to the financial statements on page 78-80 of this report presents more detailed information about the debt position of the Town.

## ECONOMIC FACTORS AND THE 2017/18 BUDGET

The local economy continues to improve as indicated by increased consumer spending for 2015 and again for 2016. In addition, the housing market has rebounded with home sales in Parker increasing for the fifth straight year. As a result, the 2017/18 budget was developed under much better economic circumstances than in previous years. Town revenues, such as sales tax and use tax, have shown significant improvement for the last five years.

Year-over-year financial results have improved since 2011 and revenue projections for 2017 and beyond reflect a positive outlook. When the budget was prepared in October 2016, revenue was exceeding both budget expectations and the prior year for the fourth year in a row. Sales tax and General Fund revenues were up 7.6 percent and 6.6 percent respectively. As of November 2016, with 264 single-family residential building permits issued, building-related revenues use tax, excise tax, building permit fees and other related revenues are on pace with the ten year average and show significant increases over the last few years.

Beginning in 2014 the budget was built on more of a zero-based approach than an incremental approach as used in years past and this was continued again in 2017. Expenditure increases that were increased incrementally are tied to projected inflation and population growth of 2.5 and 2.1 percent, respectively. The Town was also able to continue to provide significant increases in funding for maintenance of the Town's roadway infrastructure and for replacement of aging or outdated equipment. The budget also includes funding that will enhance levels of service in areas including streets, public safety, parks and recreation. Even with the improved outlook and as with any budget year, expenditures including capital outlay, new programs, new positions and other budget increases were not automatic; they had to be justified.

The 2017/18 budget is balanced in all funds, maintains appropriate reserves and continues to position the Town for continued long-term financial health. In addition, the budget includes funding to accomplish long-term strategic Town goals that are geared towards improving recreation, transportation, active adult population, economic development, community enhancement, arts and culture, core values and government transparency and accountability opportunities.

## CONTACTING THE TOWN FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the Town's finances and to show the Town's accountability for the revenue it receives. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Finance Director at 20120 E. Mainstreet, Parker, Colorado 80138, 303.841.0353 or at finance@parkeronline.org.

PARKER

COLORADO

# BASIC FINANCIAL STATEMENTS

PARKER
COLORADO

**TOWN OF PARKER, COLORADO**
**Government-wide**
**Statement of Net Position**
**December 31, 2016**

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Equity in pooled cash and investments | $ 50,662,963 | $ 4,091,078 | $ 54,754,041 |
| Cash and investments | 1,387,360 | - | 1,387,360 |
| Restricted assets | | | |
| Cash and investments held in escrow by trustee | 3,863,662 | - | 3,863,662 |
| Net pension asset | 18,087 | - | 18,087 |
| Receivables (net of allowance for uncollectibles) | 9,216,969 | 119,447 | 9,336,416 |
| Inventories | 40,158 | - | 40,158 |
| Prepaid items | 268,049 | - | 268,049 |
| Capital assets (net of accumulated depreciation) | | | |
| Land | 88,511,035 | - | 88,511,035 |
| Intangible assets | 258,510,398 | - | 258,510,398 |
| Construction in progress | 27,265,164 | 285,435 | 27,550,599 |
| Buildings | 77,099,995 | - | 77,099,995 |
| Improvements other than buildings | 30,825,159 | - | 30,825,159 |
| Machinery and equipment | 7,013,168 | 20,129 | 7,033,297 |
| Infrastructure | 154,903,893 | 8,981,687 | 163,885,580 |
| Total assets | 709,586,060 | 13,497,776 | 723,083,836 |
| **DEFERRED OUTFLOW OF RESOURCES** | | | |
| Related to pensions | 1,806,702 | - | 1,806,702 |
| **LIABILITIES** | | | |
| Accounts payable and other current liabilities | 10,175,362 | 445,863 | 10,621,225 |
| Accrued interest payable | 539,413 | - | 539,413 |
| Unearned revenue | 1,566,594 | 491 | 1,567,085 |
| Non-current liabilities | | | |
| Due within one year | 4,036,960 | 27,170 | 4,064,130 |
| Due in more than one year | 62,437,090 | 27,170 | 62,464,260 |
| Total liabilities | 78,755,419 | 500,694 | 79,256,113 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Related to pensions | 21,354 | - | 21,354 |
| Property tax revenues | 1,773,450 | - | 1,773,450 |
| Total deferred inflow of resources | 1,794,804 | - | 1,794,804 |
| **NET POSITION** | | | |
| Net investment in capital assets | 579,626,708 | 9,287,251 | 588,913,959 |
| Restricted for: | | | |
| Emergencies | 1,944,000 | - | 1,944,000 |
| Parks, recreation and open space purposes | 7,497,022 | - | 7,497,022 |
| Law enforcement purposes | 97,862 | - | 97,862 |
| Highways and streets capital projects | 5,171,285 | - | 5,171,285 |
| Streets, parks, recreation and facilities | 7,079,488 | - | 7,079,488 |
| Stormwater capital projects | - | 532,851 | 532,851 |
| Economic development | 158,966 | - | 158,966 |
| Pensions | 1,803,435 | - | 1,803,435 |
| Future retirement contributions | 98,756 | - | 98,756 |
| Debt service | 3,225,493 | - | 3,225,493 |
| Unrestricted | 24,139,524 | 3,176,980 | 27,316,504 |
| Total net position | $ 630,842,539 | $ 12,997,082 | $ 643,839,621 |

The notes to the financial statements are an integral part of this statement.

# TOWN OF PARKER, COLORADO
## Government-wide
## Statement of Activities
## For the Year Ended December 31, 2016

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| **FUNCTIONS / PROGRAMS** | | | | | | | |
| **Governmental activities** | | | | | | | |
| General government | $ 7,883,833 | $ 2,035,526 | $ 20,350 | $ - | $ (5,827,957) | $ - | $ (5,827,957) |
| Public safety | 17,299,104 | 2,585,946 | 761,957 | - | (13,951,201) | - | (13,951,201) |
| Highways and streets | 24,484,988 | 371,664 | - | 30,410,891 | 6,297,567 | - | 6,297,567 |
| Economic development | 2,710,275 | - | - | - | (2,710,275) | - | (2,710,275) |
| Culture and recreation | 18,146,809 | 7,752,464 | 564,648 | 1,223,580 | (8,606,117) | - | (8,606,117) |
| Interest on long-term debt | 3,280,077 | - | - | 796,480 | (2,483,597) | - | (2,483,597) |
| Total governmental activities | 73,805,086 | 12,745,600 | 1,346,955 | 32,430,951 | (27,281,580) | - | (27,281,580) |
| **Business-type activities** | | | | | | | |
| Stormwater utilities | 1,272,332 | 2,051,464 | - | 308,151 | - | 1,087,283 | 1,087,283 |
| Total primary government | $ 75,077,418 | $14,797,064 | $ 1,346,955 | $ 32,739,102 | | | |

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **GENERAL REVENUES** | | | |
| Taxes | | | |
| Sales and use | 42,280,470 | - | 42,280,470 |
| Property | 1,873,217 | - | 1,873,217 |
| Franchise | 958,966 | - | 958,966 |
| Excise - electric | 1,109,342 | - | 1,109,342 |
| Excise - new development | 2,798,039 | - | 2,798,039 |
| Sales and use - county shareback | 2,826,421 | - | 2,826,421 |
| Road and bridge - county shareback | 1,416,787 | - | 1,416,787 |
| Highway users | 1,410,917 | - | 1,410,917 |
| Other | 900,536 | - | 900,536 |
| Unrestricted investment earnings | 390,806 | 24,378 | 415,184 |
| Gain on disposal of property | 121,277 | - | 121,277 |
| Total general revenues | 56,086,778 | 24,378 | 56,111,156 |
| Transfers in / (transfers out) | 185,520 | (185,520) | - |
| Total general revenues, contributions and transfers | 56,272,298 | (161,142) | 56,111,156 |
| Change in net position | 28,990,718 | 926,141 | 29,916,859 |
| Net position - January 1 | 601,851,821 | 12,070,941 | 613,922,762 |
| Net position - December 31 | $ 630,842,539 | $12,997,082 | $ 643,839,621 |

The notes to the financial statements are an integral part of this statement.

# TOWN OF PARKER, COLORADO
## Governmental Funds
## Balance Sheet
## December 31, 2016

| | General | Parks and Recreation | Cultural |
|---|---|---|---|
| **ASSETS** | | | |
| Equity in pooled cash and investments | $ 14,925,214 | $ 8,669,037 | $ 1,385,278 |
| Cash and investments | 2,350 | - | 2,500 |
| Investment held in escrow by trustee | 3,764,902 | - | - |
| Receivables | | | |
| Investment earnings | 13,392 | 7,686 | 1,201 |
| Taxes - property tax | 1,773,450 | - | - |
| Taxes - sales tax | 3,631,360 | 735,566 | - |
| Accounts (net of allowance for uncollectibles) | 1,381,572 | 62,781 | 4,347 |
| Intergovernmental | 512,522 | - | 191,034 |
| Interfund receivable | 408,170 | - | - |
| Deposits | 45,735 | - | - |
| Prepaid items | 76,740 | - | 134,295 |
| Total assets | $ 26,535,407 | $ 9,475,070 | $ 1,718,655 |
| **LIABILITIES** | | | |
| Accounts payable | $ 2,653,937 | $ 1,880,710 | $ 211,835 |
| Retainage payable | 79,997 | 372,250 | 1,833 |
| Intergovernmental payable | 155,383 | - | 5,910 |
| Other current liabilities | 311,190 | 28,058 | 158 |
| Deposits | 561,228 | - | 24,825 |
| Unearned revenue | 68,462 | 13,495 | 341,743 |
| Total liabilities | 3,830,197 | 2,294,513 | 586,304 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Unavailable resources | 20,106 | 1,269 | 108,912 |
| Property tax revenues | 1,773,450 | - | - |
| Total deferred inflow of resources | 1,793,556 | 1,269 | 108,912 |
| **FUND BALANCES** | | | |
| Nonspendable: | | | |
| Prepaid items | 76,740 | - | 134,295 |
| Restricted: | | | |
| Emergencies | 1,944,000 | - | - |
| Parks, recreation and open space | 108,167 | 7,179,288 | - |
| Law enforcement | - | - | - |
| Highways and streets | - | - | - |
| Streets, parks, recreation and facilities | - | - | - |
| Economic development | - | - | - |
| Debt service | 3,764,902 | - | - |
| Assigned: | | | |
| Subsequent year's budget: appropriation of fund balance | 5,574,259 | - | - |
| Culture | - | - | 889,144 |
| Fundraising | - | - | - |
| Parks, recreation and open space | - | - | - |
| Police Station/PACE Center construction | 1,585,169 | - | - |
| Highways and streets | 406,232 | - | - |
| Unassigned | 7,452,185 | - | - |
| Total fund balances | 20,911,654 | 7,179,288 | 1,023,439 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 26,535,407 | $ 9,475,070 | $ 1,718,655 |

(continued)

The notes to the financial statements are an integral part of this statement.

# TOWN OF PARKER, COLORADO
## Governmental Funds
## Balance Sheet (continued)
## December 31, 2016

| Recreation | Public Improvements | Excise Tax | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| $ 2,147,616 | $ 13,841,667 | $ 7,073,213 | $ 385,552 | $ 48,427,577 |
| 4,400 | - | - | 1,378,110 | 1,387,360 |
| - | 4 | - | - | 3,764,906 |
| 1,835 | 14,208 | 6,275 | 340 | 44,937 |
| - | - | - | - | 1,773,450 |
| - | - | - | - | 4,366,926 |
| 197,615 | 75,825 | - | 660 | 1,722,800 |
| - | 469,591 | - | - | 1,173,147 |
| - | - | - | - | 408,170 |
| - | - | - | - | 45,735 |
| 13,060 | - | - | 92 | 224,187 |
| $ 2,364,526 | $ 14,401,295 | $ 7,079,488 | $ 1,764,754 | $ 63,339,195 |
| | | | | |
| $ 332,215 | $ 1,406,847 | $ - | $ 1,041,960 | $ 7,527,504 |
| - | 411,008 | - | - | 865,088 |
| 2,954 | - | - | - | 164,247 |
| - | 132,332 | - | 83,548 | 555,286 |
| - | - | - | - | 586,053 |
| 986,165 | - | - | - | 1,409,865 |
| 1,321,334 | 1,950,187 | - | 1,125,508 | 11,108,043 |
| | | | | |
| 8,841 | 208 | - | 658 | 139,994 |
| - | - | - | - | 1,773,450 |
| 8,841 | 208 | - | 658 | 1,913,444 |
| | | | | |
| 13,060 | - | - | 92 | 224,187 |
| - | - | - | - | 1,944,000 |
| 57,000 | - | - | 152,567 | 7,497,022 |
| - | - | - | 97,862 | 97,862 |
| - | 4,969,941 | - | 201,344 | 5,171,285 |
| - | - | 7,079,488 | - | 7,079,488 |
| - | - | - | 158,966 | 158,966 |
| - | 4 | - | - | 3,764,906 |
| - | - | - | - | 5,574,259 |
| - | - | - | - | 889,144 |
| - | - | - | 27,757 | 27,757 |
| 964,291 | - | - | - | 964,291 |
| - | - | - | - | 1,585,169 |
| - | 7,480,955 | - | - | 7,887,187 |
| - | - | - | - | 7,452,185 |
| 1,034,351 | 12,450,900 | 7,079,488 | 638,588 | 50,317,708 |
| $ 2,364,526 | $ 14,401,295 | $ 7,079,488 | $ 1,764,754 | $ 63,339,195 |

(concluded)

# TOWN OF PARKER, COLORADO
## Reconciliation of Total Fund Balances on the Governmental Funds Balance Sheet to the Governmental Activities Total Net Position in the Government-wide Statement of Net Position
## December 31, 2016

| | |
|---|---|
| Total governmental fund balances | $ 50,317,708 |
| **Amounts reported for governmental activities in the statement of net position are different because:** | |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental fund balance sheet. | 638,917,036 |
| Net pension asset in governmental activites is not a financial resource and is therefore not reported in the governmental fund balance sheet. | 18,087 |
| Retirement forfeiture funds are not financial resources and are therefore not reported in the governmental fund balance sheet. | 98,756 |
| Internal service funds are used by management to charge the costs of fleet repairs, computer replacements, and facility services to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities on the government-wide statement of net position. | 6,553,597 |
| Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds | (21,354) |
| Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds | 1,806,702 |
| Long-term liabilities, including bonds payable, accrued interest payable, and compensated absences, are not due and payable in the current period and are therefore not reported in the governmental fund balance sheet. | (66,847,993) |
| Net position of governmental activities (page 42) | $ 630,842,539 |

The notes to the financial statements are an integral part of this statement.

PARKER
COLORADO

# TOWN OF PARKER, COLORADO
## Governmental Funds
## Statement of Revenues, Expenditures, and Changes in Fund Balances
## For the Year Ended December 31, 2016

| | General | Parks and Recreation | Cultural |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | | | |
| Sales and use | $ 32,309,990 | $ 6,986,848 | $ - |
| Property | 1,873,217 | - | - |
| Franchise | 958,966 | - | - |
| Electric excise | 1,109,342 | - | - |
| Excise tax - new development | - | - | - |
| Other | 165,799 | - | - |
| Intergovernmental | 4,336,763 | 55,000 | 634,739 |
| Charges for services | 2,488,876 | - | 2,278,570 |
| Licenses and permits | 1,828,083 | - | - |
| Fines and forfeitures | 216,656 | - | - |
| Contributions | 53,038 | 421,505 | 132,131 |
| Net investment earnings | 134,281 | 71,963 | 7,485 |
| Miscellaneous | 149,568 | 30,483 | 1,472 |
| Total revenues | 45,624,579 | 7,565,799 | 3,054,397 |
| **EXPENDITURES** | | | |
| Current | | | |
| General government | 8,160,682 | - | - |
| Public safety | 16,200,092 | - | - |
| Highways and streets | 10,000,775 | - | - |
| Culture and recreation | 3,405,730 | 676,402 | 4,369,173 |
| Economic development | 2,177,166 | 89,437 | - |
| Building | - | - | - |
| Debt service | | | |
| Principal | 1,300,000 | - | - |
| Interest | 2,441,693 | - | - |
| Fiscal charges | 2,500 | - | - |
| Capital outlay | 1,235,280 | 9,820,232 | 1,244,871 |
| Total expenditures | 44,923,918 | 10,586,071 | 5,614,044 |
| Excess (deficiency) of revenues over (under) expenditures | 700,661 | (3,020,272) | (2,559,647) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 1,095,900 | 600,000 | 2,388,000 |
| Transfers out | (4,056,205) | (4,003,068) | - |
| Proceeds from sale of capital assets | 4,960 | - | - |
| Insurance recoveries | 64,190 | - | - |
| Total other financing sources (uses) | (2,891,155) | (3,403,068) | 2,388,000 |
| Net change in fund balances | (2,190,494) | (6,423,340) | (171,647) |
| Fund balances - January 1 | 23,102,148 | 13,602,628 | 1,195,086 |
| Fund balances - December 31 | $ 20,911,654 | $ 7,179,288 | $ 1,023,439 |

(continued)

The notes to the financial statements are an integral part of this statement.

# TOWN OF PARKER, COLORADO
## Governmental Funds
## Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
## For the Year Ended December 31, 2016

| Recreation | Public Improvements | Excise Tax | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| $ - | $ 2,983,632 | $ - | $ - | $ 42,280,470 |
| - | - | - | - | 1,873,217 |
| - | - | - | - | 958,966 |
| - | - | - | - | 1,109,342 |
| - | - | 2,798,039 | - | 2,798,039 |
| - | - | - | - | 165,799 |
| 10,000 | 3,129,090 | - | 952,188 | 9,117,780 |
| 5,429,513 | - | - | 2,114 | 10,199,073 |
| - | - | - | - | 1,828,083 |
| - | - | - | 92,703 | 309,359 |
| - | 4,071,476 | - | - | 4,678,150 |
| 13,559 | 114,905 | 35,728 | 2,763 | 380,684 |
| 14,381 | 137,471 | - | 29,468 | 362,843 |
| 5,467,453 | 10,436,574 | 2,833,767 | 1,079,236 | 76,061,805 |
| | | | | |
| - | - | - | - | 8,160,682 |
| - | - | - | 129,196 | 16,329,288 |
| - | 2,029,850 | - | - | 12,030,625 |
| 6,949,724 | - | - | 32,695 | 15,433,724 |
| - | 234,108 | - | 209,564 | 2,710,275 |
| - | 21,679 | - | - | 21,679 |
| | | | | |
| - | - | - | 1,635,000 | 2,935,000 |
| - | - | - | 890,245 | 3,331,938 |
| - | - | - | - | 2,500 |
| 95,789 | 11,925,436 | - | - | 24,321,608 |
| 7,045,513 | 14,211,073 | - | 2,896,700 | 85,277,319 |
| | | | | |
| (1,578,060) | (3,774,499) | 2,833,767 | (1,817,464) | (9,215,514) |
| | | | | |
| 1,228,900 | 1,594,748 | - | 2,525,245 | 9,432,793 |
| - | - | (588,000) | (600,000) | (9,247,273) |
| - | - | - | - | 4,960 |
| - | - | - | - | 64,190 |
| 1,228,900 | 1,594,748 | (588,000) | 1,925,245 | 254,670 |
| | | | | |
| (349,160) | (2,179,751) | 2,245,767 | 107,781 | (8,960,844) |
| | | | | |
| 1,383,511 | 14,630,651 | 4,833,721 | 530,807 | 59,278,552 |
| $ 1,034,351 | $ 12,450,900 | $ 7,079,488 | $ 638,588 | $ 50,317,708 |

(concluded)

# TOWN OF PARKER, COLORADO
## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
## For the Year Ended December 31, 2016

**Amounts reported for governmental activities in the statement of activities are different because:**

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ (8,960,844) |
| 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 exceeds depreciation in the current period. | 8,246,237 |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position. | 26,288,028 |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items. | 2,935,000 |
| 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. | (252,128) |
| Capital assets transferred from Governmental Funds to the Fleet Internal Service Fund are not considered revenue in the Government-wide statement. | (808,754) |
| Internal service funds are used by management to charge the costs of fleet repairs, computer renewal and replacement, and facility services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. | 1,398,803 |
| Employer contributions for pension related items are reported as expenditures in the governmental funds. However, in the statement of activities the contributions made during the fiscal year either changed the net pension asset or are shown as contributions after the measurement dated of December 31, 2015 and not reflected as expenses on the statement of activities. | 430,188 |
| Net pension asset related items reported in the statement of activities do not requre the use of current financial resources, and therfore, are not reported as expenditures in the governmental funds. These activities consist of: | |
| Pension expense | (285,812) |
| Change in net position - governmental activities (page 43) | $ 28,990,718 |

The notes to the financial statements are an integral part of this statement.

# TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## General Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Taxes | | | | |
| Sales | $ 31,511,500 | $ 31,511,500 | $ 32,309,990 | $ 798,490 |
| Property | 1,796,100 | 1,796,100 | 1,873,217 | 77,117 |
| Franchise | 964,600 | 964,600 | 958,966 | (5,634) |
| Electric excise | 1,111,100 | 1,111,100 | 1,109,342 | (1,758) |
| Other | 165,500 | 165,500 | 165,799 | 299 |
| Licenses and permits | | | | |
| Building | 1,528,300 | 1,528,300 | 1,655,747 | 127,447 |
| Other | 210,700 | 210,700 | 172,336 | (38,364) |
| Intergovernmental | | | | |
| Highway users taxes | 1,078,700 | 1,078,700 | 1,108,248 | 29,548 |
| County road and bridge shareback | 1,480,000 | 1,480,000 | 1,416,787 | (63,213) |
| Other | 1,336,883 | 2,212,926 | 1,811,728 | (401,198) |
| Charges for services | 2,766,500 | 2,778,700 | 2,488,876 | (289,824) |
| Fines and forfeitures | 192,900 | 192,900 | 216,656 | 23,756 |
| Contributions | - | - | 53,038 | 53,038 |
| Net investment earnings | 100,200 | 100,200 | 134,281 | 34,081 |
| Miscellaneous | 85,000 | 85,000 | 149,568 | 64,568 |
| Total revenues | 44,327,983 | 45,216,226 | 45,624,579 | 408,353 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| General government | | | | |
| Elected officials | 149,760 | 149,760 | 154,118 | (4,358) |
| Town clerk and elections | 327,163 | 327,163 | 270,434 | 56,729 |
| Municipal court | 333,724 | 333,724 | 300,214 | 33,510 |
| Town administrator | 917,543 | 917,543 | 879,214 | 38,329 |
| Finance | 1,427,266 | 1,427,266 | 1,415,710 | 11,556 |
| Legal services | 552,325 | 552,325 | 597,798 | (45,473) |
| Human resources | 837,307 | 849,807 | 810,889 | 38,918 |
| Risk management | 369,589 | 369,589 | 304,651 | 64,938 |
| Community development | 1,973,797 | 2,184,997 | 1,624,943 | 560,054 |
| Communications | 828,235 | 893,435 | 801,824 | 91,611 |
| Buildings and plant | 444,300 | 444,300 | 453,208 | (8,908) |
| Customer service | 142,278 | 142,278 | 135,022 | 7,256 |
| Interdepartmental | 706,550 | 613,050 | 412,657 | 200,393 |
| Total general government | 9,009,837 | 9,205,237 | 8,160,682 | 1,044,555 |

(continued)

## TOWN OF PARKER, COLORADO
### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
### General Fund (continued)
### For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Public safety | | | | |
| Police | $ 14,877,108 | $ 15,140,717 | $ 14,693,847 | $ 446,870 |
| Building inspection | 1,445,365 | 1,510,365 | 1,506,245 | 4,120 |
| Total public safety | 16,322,473 | 16,651,082 | 16,200,092 | 450,990 |
| Highways and streets | 10,442,382 | 10,861,039 | 10,000,775 | 860,264 |
| Economic development | 2,445,875 | 2,429,860 | 2,177,166 | 252,694 |
| Parks, forestry and open space | 3,575,250 | 3,723,750 | 3,405,730 | 318,020 |
| Debt service | | | | |
| Principal | 1,300,000 | 1,300,000 | 1,300,000 | - |
| Interest | 2,441,700 | 2,441,700 | 2,441,693 | 7 |
| Fiscal charges | 2,000 | 2,000 | 2,500 | (500) |
| Total debt service | 3,743,700 | 3,743,700 | 3,744,193 | (493) |
| Capital outlay | 3,347,950 | 4,624,713 | 1,235,280 | 3,389,433 |
| Total expenditures | 48,887,467 | 51,239,381 | 44,923,918 | 6,315,463 |
| Deficiency of revenues over (under) expenditures | (4,559,484) | (6,023,155) | 700,661 | 6,723,816 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 1,095,900 | 1,095,900 | 1,095,900 | - |
| Transfers out | (4,056,234) | (4,056,234) | (4,056,205) | 29 |
| Proceeds from sale of capital assets | - | - | 4,960 | 4,960 |
| Insurance recoveries | - | - | 64,190 | 64,190 |
| Total other financing sources (uses) | (2,960,334) | (2,960,334) | (2,891,155) | 4,989 |
| Net change in fund balance | (7,519,818) | (8,983,489) | (2,190,494) | 6,728,805 |
| Fund balance - January 1 | 24,147,353 | 23,102,148 | 23,102,148 | - |
| Fund balance - December 31 | $ 16,627,535 | $ 14,118,659 | $ 20,911,654 | $ 6,728,805 |

(concluded)

The notes to the financial statements are an integral part of this statement.

# TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Parks and Recreation Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Taxes | | | | |
| Sales | $ 6,302,300 | $ 6,302,300 | $ 6,462,430 | $ 160,130 |
| Use | 413,300 | 413,300 | 524,418 | 111,118 |
| Intergovernmental | 1,000,000 | 1,000,000 | 55,000 | (945,000) |
| Contributions | - | - | 421,505 | 421,505 |
| Net investment earnings | 48,700 | 48,700 | 71,963 | 23,263 |
| Miscellaneous | 9,000 | 9,000 | 30,483 | 21,483 |
| Total revenues | 7,773,300 | 7,773,300 | 7,565,799 | (207,501) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Culture and recreation | 644,364 | 694,364 | 676,402 | 17,962 |
| Economic development | 93,000 | 93,000 | 89,437 | 3,563 |
| Capital outlay | 11,711,066 | 13,399,607 | 9,820,232 | 3,579,375 |
| Total expenditures | 12,448,430 | 14,186,971 | 10,586,071 | 3,600,900 |
| Excess of revenues over expenditures | (4,675,130) | (6,413,671) | (3,020,272) | 3,393,399 |
| **OTHER FINANCING USES** | | | | |
| Transfers in | 600,000 | 600,000 | 600,000 | - |
| Transfers out | (5,008,689) | (4,010,300) | (4,003,068) | 7,232 |
| Total other financing uses | (4,408,689) | (3,410,300) | (3,403,068) | 7,232 |
| Net change in fund balance | (9,083,819) | (9,823,971) | (6,423,340) | 3,400,631 |
| Fund balance - January 1 | 12,322,752 | 13,602,628 | 13,602,628 | - |
| Fund balance - December 31 | $ 3,238,933 | $ 3,778,657 | $ 7,179,288 | $ 3,400,631 |

The notes to the financial statements are an integral part of this statement.

## TOWN OF PARKER, COLORADO
### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
### Cultural Fund
### For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 510,145 | $ 510,145 | $ 634,739 | $ 124,594 |
| Charges for services | 2,159,765 | 2,159,765 | 2,278,570 | 118,805 |
| Contributions | 74,000 | 74,000 | 132,131 | 58,131 |
| Net investment earnings | 2,900 | 2,900 | 7,485 | 4,585 |
| Miscellaneous | - | - | 1,472 | 1,472 |
| | 2,746,810 | 2,746,810 | 3,054,397 | 307,587 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Culture | 4,327,654 | 4,385,654 | 4,369,173 | 16,481 |
| Capital outlay | 1,129,545 | 1,584,915 | 1,244,871 | 340,044 |
| Total expenditures | 5,457,199 | 5,970,569 | 5,614,044 | 356,525 |
| Deficiency of revenues under expenditures | (2,710,389) | (3,223,759) | (2,559,647) | 664,112 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 2,388,000 | 2,388,000 | 2,388,000 | - |
| Net change in fund balance | (322,389) | (835,759) | (171,647) | 664,112 |
| Fund balance - January 1 | 1,284,613 | 1,195,086 | 1,195,086 | - |
| Fund balance - December 31 | $ 962,224 | $ 359,327 | $ 1,023,439 | $ 664,112 |

The notes to the financial statements are an integral part of this statement.

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Recreation Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 17,850 | $ 17,850 | $ 10,000 | (7,850) |
| Charges for services | 4,421,700 | 4,803,700 | 5,429,513 | $ 625,813 |
| Net investment earnings | 7,200 | 7,200 | 13,559 | 6,359 |
| Miscellaneous | - | - | 14,381 | 14,381 |
| Total revenues | 4,446,750 | 4,828,750 | 5,467,453 | 638,703 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Culture and recreation | 6,826,255 | 7,068,195 | 6,949,724 | 118,471 |
| Capital outlay | 127,955 | 183,637 | 95,789 | 87,848 |
| Total expenditures | 6,954,210 | 7,251,832 | 7,045,513 | 206,319 |
| Deficiency of revenues under expenditures | (2,507,460) | (2,423,082) | (1,578,060) | 845,022 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 1,228,900 | 1,228,900 | 1,228,900 | - |
| Net change in fund balance | (1,278,560) | (1,194,182) | (349,160) | 845,022 |
| Fund balance - January 1 | 1,611,022 | 1,383,511 | 1,383,511 | - |
| Fund balance - December 31 | $ 332,462 | $ 189,329 | $ 1,034,351 | $ 845,022 |

The notes to the financial statements are an integral part of this statement.

## TOWN OF PARKER, COLORADO
## Proprietary Funds
## Statement of Net Position
## December 31, 2016

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Stormwater Utility | Internal Service Funds |
| **ASSETS** | | |
| Current | | |
| Equity in pooled cash and investments | $ 4,091,078 | $ 2,235,386 |
| Receivables | | |
| Investment earnings receivable | 3,619 | 1,951 |
| Accounts receivable | 115,828 | 88,023 |
| Prepaid items | - | 43,862 |
| Inventory | - | 40,158 |
| Total current assets | 4,210,525 | 2,409,380 |
| Non-current | | |
| Capital assets (net of accumulated depreciation) | | |
| Construction in progress | 285,435 | 35,428 |
| Intangible assets | 8,981,687 | 450,947 |
| Machinery and equipment | 20,129 | 4,593,660 |
| Improvements other than buildings | - | 131,741 |
| Net capital assets | 9,287,251 | 5,211,776 |
| Total assets | 13,497,776 | 7,621,156 |
| **LIABILITIES** | | |
| Current | | |
| Accounts payable and other current liabilities | 201,269 | 477,184 |
| Unearned revenue | 491 | 16,735 |
| Security deposits payable | 244,594 | - |
| Interfund payable | - | 408,170 |
| Compensated absences | 54,340 | 165,470 |
| Total liabilities | 500,694 | 1,067,559 |
| **NET POSITION** | | |
| Net investment in capital assets | 9,287,251 | 5,211,776 |
| Restricted for capital projects | 532,851 | - |
| Unrestricted | 3,176,980 | 1,341,821 |
| Total net position | $ 12,997,082 | $ 6,553,597 |

The notes to the financial statements are an integral part of this statement.

## TOWN OF PARKER, COLORADO
## Proprietary Funds
## Statement of Revenues, Expenses, and Changes in Net Position
## For the Year Ended December 31, 2016

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Stormwater Utility | Internal Service Funds |
| **OPERATING REVENUES** | | |
| Charges for sales and services | $ 2,044,941 | $ 9,452,474 |
| Miscellaneous | 6,523 | 13,474 |
| Total operating revenues | 2,051,464 | 9,465,948 |
| **OPERATING EXPENSES** | | |
| Cost of sales and services | 1,068,753 | 7,715,508 |
| Depreciation | 203,579 | 1,260,977 |
| Total operating expenses | 1,272,332 | 8,976,485 |
| Operating income | 779,132 | 489,463 |
| **NON-OPERATING REVENUES** | | |
| Net investment earnings | 24,378 | 10,122 |
| Gain on disposal of property | - | 116,317 |
| Total non-operating revenues | 24,378 | 126,439 |
| Income before capital contributions and transfers | 803,510 | 615,902 |
| Capital contributions | 308,151 | 808,754 |
| Transfers out* | (185,520) | (25,853) |
| Change in net position | 926,141 | 1,398,803 |
| Total net position - January 1 | 12,070,941 | 5,154,794 |
| Total net position - December 31 | $ 12,997,082 | $ 6,553,597 |

*In 2016 $25,853 capital assets were moved to governmental activities account

The notes to the financial statements are an integral part of this statement.

# TOWN OF PARKER, COLORADO
## Proprietary Funds
## Statement of Cash Flows
## For the Year Ended December 31, 2016

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Stormwater Utility | Internal Service Funds |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers and users | $ 2,043,156 | $ 9,423,991 |
| Payments to suppliers | (133,174) | (5,301,193) |
| Payments to employees | (642,444) | (2,194,162) |
| Receipts from others | 7,014 | 30,209 |
| Net cash provided by operating activities | 1,274,552 | 1,958,845 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Receipt from sale of capital assets | - | 116,317 |
| Contributions | 308,151 | - |
| Transfer out | (185,520) | - |
| Purchases of capital assets | (311,078) | (1,454,047) |
| Insurance recoveries | - | - |
| Net cash used by capital and related financing activities | (188,447) | (1,337,730) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net investment earnings received | 22,667 | 9,156 |
| Net cash provided by investing activities | 22,667 | 9,156 |
| Net increase (decrease) in equity in pooled cash and investments | 1,108,772 | 630,271 |
| Equity in pooled cash and investments - January 1 | 2,982,306 | 1,196,945 |
| Equity in pooled cash and investments - December 31* | $ 4,091,078 | $ 1,827,216 |
| **RECONCILATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES** | | |
| Operating income | $ 779,132 | $ 489,463 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation | 203,579 | 1,260,977 |
| Effects of changes in current assets and liabilities: | | |
| Accounts receivable | (1,785) | (28,483) |
| Unearned revenue | 491 | 16,735 |
| Inventory | - | 3,457 |
| Prepaid items | - | 34,379 |
| Accounts/retainage payable | 304,036 | 156,061 |
| Compensated absences and wages payable | (10,901) | 26,256 |
| Total adjustments | 495,420 | 1,469,382 |
| Net cash provided by operating activities | $ 1,274,552 | $ 1,958,845 |
| **NONCASH CAPITAL ACTIVITES:** | | |
| Contributions of capital assets | $ - | $ 808,754 |

*Represents $408,170 negative cash in Fleet Fund which is relected as interfund payable on the Combining Statement of Net Position and interfund receivable on the General Fund balance sheet. Interfund payable will be paid beginning 2017.

The notes to the financial statements are an integral part of this statement.

**TOWN OF PARKER, COLORADO**
**Fiduciary Fund**
**Statement of Fiduciary Net Position**
**December 31, 2016**

| | Agency Fund |
|---|---|
| **ASSETS** | |
| Equity in pooled cash and investments | $ 2,171,217 |
| | |
| **LIABILITIES** | |
| Security escrows | $ 2,171,217 |

The notes to the financial statements are an integral part of this statement.

PARKER
COLORADO

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Parker, Colorado (Town) conform to United States of America generally accepted accounting principles applicable to governments in accordance with those principles promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant policies.

### A. Reporting entity

The Town was incorporated in 1981 as a home rule city as authorized by Article 20 of the Colorado State Constitution. The Town operates under a council-administrator form of government. The Town provides the following services as authorized by its charter: general government activities (government administration, finance, community development and municipal court); public safety (police and building inspections); highways and streets (public works); economic development (economic development, assistance and incentives); culture and recreation (parks and recreation); and stormwater activities.

The accompanying financial statements present the Town and its blended component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations.

***Blended component units***

The Parker Authority for Reinvestment (PAR) was incorporated in 2006 under the Colorado Revised Statutes for the purpose of continued economic redevelopment within the Town. In 2010, the redevelopment area was established under the name of Parker Central Area Reinvestment Plan. The purpose of the plan is to eliminate blight in the area through funding new capital projects through tax increment financing, creating public private partnerships with the goal of developing and redeveloping properties, providing relocation assistance and providing other financial incentives within the context of the applicable statutes. The PAR is presented as a blended component unit because the governing board and the Town Council are substantially the same. Additionally, the Town provides financial support to PAR. The PAR does not produce separately issued financial statements.

The Greater Parker Foundation (GPF) was incorporated in 2008 as a Colorado non-profit corporation exclusively for public, charitable, and educational purposes as described in and contemplated by § 501(c)(3) of the Internal Revenue Code of 1986, and more specifically, exclusively for the benefit of the Town. The GPF is presented as a blended component unit of the Town because it is engaged in fund raising activities that benefit the Town. The GPF does not produce separately issued financial statements. The Town does not legally adopt a budget for GPF.

## B. Government-wide and fund financial statements

The government-wide statement of net position and statement of activities report information on all of the non-fiduciary activities of the primary government and its component units.

As a general rule the effect of interfund activity is eliminated from the government-wide financial statements. Exceptions to this general rule include payments of interfund services provided by the Town's Stormwater utility to the other functions of the Town. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

In the statement of activities, governmental activities which are normally 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.

The statement of activities demonstrates the degree to which direct expenses of a 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 for services (amounts received from customers or applicants who directly benefit from the goods or services or who receive privileges provided by the given function or segment) and 2) grants and contributions that are restricted for 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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are not included in the government-wide financial statements since the funds are not available to support Town programs. Major individual governmental funds are reported individually as separate columns in the fund financial statements.

## C. 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 funds. Revenues are recorded when earned and expenses are recorded when a 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. The fiduciary fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. For the purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Pension Association of Colorado (FPPA) and additions to/deductions from the FPPA's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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. "Measurable" means the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after the end of the year. Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service, compensated absences and claims and judgments are not recorded until payment is due.

Property taxes, sales and use taxes, intergovernmental taxes, franchise taxes and investment earnings are considered susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town except those required to be accounted for in another fund.

The *Parks and Recreation Special Revenue Fund* accounts for revenues collected from a 1/2-cent sales tax and user charges accumulated and expenditures made for the acquisition and development of parks, open space and recreational facilities.

The C*ultural Fund* accounts for the operations of the Parker Arts, Culture and Events (PACE) Center and is classified as a major fund for Scientific and Cultural Facilities District (SCFD) Tier II grant requirements.

The *Recreation Fund* accounts for the operations of the Parker Recreation Center, Fieldhouse, H2O'Brien outdoor pool and town recreational programs.

The *Public Improvements Capital Project Fund* accounts for the financing and construction of highways and streets improvements.

The *Excise Tax Fund* – Accounts for the collection of excise tax on new development for the purpose of building streets, Parks and Recreation facilities, and Police and Municipal facilities. For expenditure, the fees are transferred to the appropriate fund.

The Town reports the following major proprietary fund:

The *Stormwater Utility Fund* accounts for the collection of stormwater fees from residential and commercial property owners in the Town. These fees are used to fund the planning and construction of drainage improvements; the maintenance of storm sewers and detention facilities; and for the monitoring and safeguarding water quality.

Additionally, the Town reports the following fund types:

*Internal service funds* account for fleet, technology management, facility services and health benefits provided to other departments of the Town on a cost-reimbursement basis.

*Agency funds* are used to record security escrow deposits received from developers. Security deposits are returned to the developer when the appropriate public improvements are completed.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. The operating revenues of the Stormwater Utility fund and the internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Any revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting their assets and liabilities.

## D. Assets, liabilities, and deferred outflows/inflows of resources and net position/fund balance

### 1. Cash and investments

*Equity in pooled cash and investments*
To maximize investment earnings, the Town pools cash and investments of the various funds. Unless required by trust or other agreements, cash is deposited to and disbursed from a single bank account. These pooled funds are reported on the financial statements as equity in pooled cash and investments. Investment earnings are allocated to the participating funds based upon each fund's average share of the pool. Investments are reported at fair value determined from quoted market prices.

For purposes of the statement of cash flows for proprietary funds, the Town considers cash and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

### 2. Receivables

Accounts receivable is shown net of allowance for uncollectible accounts. The allowance is comprised of the balances of the accounts that are deemed uncollectible.

Taxes levied and certified to Douglas County in December of the preceding year, attach as an enforceable lien on the property as of January 1. Douglas County bills and collects property taxes for the Town. At the option of the taxpayer, property taxes may be paid in either one installment on April 30, or two installments on February 28 and June 15. Property taxes are recognized as receivables and a deferred inflows of resources when levied; and as revenue when due for collection in the following year.

### 3. Inventories

Inventories are stated at cost or market, determined using the first-in, first-out basis. The cost of inventories in the proprietary fund statements and government-wide statements are recorded as an expense when consumed rather than when purchased.

### 4. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### 5. Restricted net position

*Investments held in escrow by trustee* are classified as restricted net position on the balance sheet because associated debt covenants require these funds to be held for future debt service.

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

### 6. Capital assets

Capital assets, including property, plant, equipment and infrastructure (roads, bridges, sidewalks and similar immovable items) are reported in the applicable governmental or business-type activities in the government-wide and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life of more than one year. Purchased and constructed capital assets are recorded at historical cost or estimated historical cost (if actual historical costs could not be determined). Donated capital assets are recorded at estimated acquisition value at the date of donation. Costs of normal maintenance and repairs which do not either add to the value of the asset or materially extend asset life are not capitalized. Outlays for the construction or improvement of capital assets are capitalized as construction in progress as the work is completed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

| Asset Type | Years |
|---|---|
| Buildings | 20 – 50 |
| Building improvements | 20 |
| Improvements other than buildings | 20 – 30 |
| Machinery and equipment | 5 – 17 |
| Infrastructure | 20 – 50 |
| Intangibles (Software) | 5-10 |

### 7. Compensated absences

Employees are permitted to accumulate earned but unused vacation and sick pay benefits. The maximum vacation and sick leave hours that an employee may accumulate or receive upon separation of service is limited by Town policy. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Unpaid accumulated sick pay is reported only for employees who are eligible for payout upon separation from the Town (five years or more in service). A liability for compensated absences is reported in the governmental funds only for employees who have resigned or retired for which the liability is expected to be paid with current available resources.

### 8. Long-term obligations

Long-term debt and other long-term obligations are reported as non-current liabilities in the governmental activities column of the government-wide statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period.

## 9. Deferred outflows/inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The Town has two types of items which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, *unavailable revenue,* are reported on the government-wide statement of net position and on the governmental funds balance sheet. The Town funds report unavailable revenues from property taxes and unavailable resources. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town has deferred outflow and deferred inflow of resources related to participation in the Colorado Fire and Police Pension Association. These are reported on the government-wide statements only because they do not require the use of current financial resources.

## 10. Net position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Town reports three categories of net position, as follows:

- *Net investment in capital assets* – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

- *Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

- *Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Town will use the most restricted net position first.

## 11. Fund balance

In the Government-wide financial statements and the proprietary funds in the fund financial statements, net position is restricted when constraints placed on the net position are externally imposed. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned or unassigned. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

- Nonspendable – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures.

- Restricted – amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions, or enabling legislation that are legally enforceable.

- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council by ordinance. The committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned – amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent may be expressed by Town Council through an informal action or Town Council can delegate the authority through resolution. This authority has been delegated to the Town Administrator.

- Unassigned – the General Fund, as the principal operating fund of the Town, often will have net resources in excess of what can properly be classified in one of the four categories already described. If so, that surplus is presented as unassigned fund balance.

The Town considers all unassigned fund balances to be available for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 5. Section B.2.).

## NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position.

Details of the $66,847,993 reconciliation element which states that "long-term liabilities, including bonds payable, accrued interest payable, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds" are as follows:

| | |
|---|---|
| Bonds payable | $ 8,985,000 |
| Certificates of participation series 2009 | 36,925,000 |
| Certificates of participation series 2014 | 18,055,000 |
| Underwriters discount | (56,541) |
| Premium | 593,645 |
| Accrued interest payable | 539,413 |
| Compensated absences | 1,806,476 |
| Net adjustment to reduce *fund balance – total governmental funds* to arrive at *net position – governmental activities* | $ 66,847,993 |

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

Details of the $8,246,237 reconciliation element which states "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" are as follows:

| | |
|---|---|
| Capital outlay | $ 24,321,608 |
| Depreciation expense | (16,075,371) |
| Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* | $ 8,246,237 |

Details of the $26,288,026 for the net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position are as follows:

| | |
|---|---|
| Capital donations | $ 26,339,414 |
| Capital asset deletions net of accumulated depreciation | (51,388) |
| Net adjustment to decrease *net changes in fund balances total governmental funds* to arrive at *changes in net position of governmental activities* | $ 26,288,026 |

Another reconciliation element states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however has any effect on net position. Also, governmental funds report the effect, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities". The details of this $2,935,000 item are as follows:

| | |
|---|---|
| Principal repayments: | |
| Revenue bonds | 895,000 |
| Certificates of participation series 2009 | 1,300,000 |
| Certificates of participation series 2014 | 740,000 |
| Net adjustment to increase *net changes in fund balances total governmental funds* to arrive at *changes in net position of governmental activities* | $ 2,935,000 |

Details of the $(252,128) reconciliation element which states that "Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." are as follows:

| | |
|---|---|
| Compensated absences | $ (293,170) |
| Discount | (3,262) |
| Retirement forfeitures used for Town contributions | (7,557) |
| Interest | 51,861 |
| Net adjustment to decrease *net changes in fund balances total governmental funds* to arrive at *changes in net position of governmental activities* | $ (252,128) |

## NOTE 3 BUDGETARY INFORMATION

In accordance with the Town Charter, a proposed budget is submitted to the Town Council on or before October 15. Council holds public budget hearings each year on or before November 15 and must finalize and adopt the budget and appropriate the funds by ordinance on or before December 15.

All appropriations are adopted at the fund level. Budgets for all funds are adopted using the modified accrual basis. Fund appropriations may be amended by Council through an ordinance with compliance for appropriate publication and hearing procedures. Department directors, with approval of the Town Administrator and Finance Director may reallocate the department budget between line items expenditures and / or approve transfers between departments within the same fund.

For the year ended December 31, 2016, appropriations including transfers were amended as follows:

| Fund | Original Budget | Increase/ Decrease | Final Budget |
|---|---|---|---|
| General | $ 52,943,701 | $ 2,351,914 | $ 55,295,615 |
| Special Revenue | | | |
| Parks and Recreation | 17,457,119 | 740,152 | 18,197,271 |
| Law Enforcement Assistance | 130,504 | 6,499 | 137,003 |
| PACE | 5,457,199 | 513,370 | 5,970,569 |
| Recreation | 6,954,210 | 297,622 | 7,251,832 |
| Greater Parker Foundation | 33,010 | 10,990 | 44,000 |
| Capital Project | | | |
| Public Improvements | 18,093,661 | 3,878,997 | 21,972,658 |
| Debt Service | | | |
| Recreation | 2,683,889 | (1,098,389) | 1,585,500 |
| Internal Service | | | |
| Fleet Services | 2,217,613 | 20,000 | 2,237,613 |
| Technology Management | 3,751,469 | 1,058,735 | 4,810,204 |
| Facility Services | 862,860 | 12,090 | 874,950 |
| Enterprise | | | |
| Stormwater Utility | 1,789,384 | 233,292 | 2,022,676 |

## NOTE 4 DETAILED NOTES ON ALL FUNDS

### A. Cash deposits and investments

Cash deposits and investments are reflected on the December 31, 2016 Statements of Net Position as follows:

| | Governmental Activities | Business-type Activities | Fiduciary Funds | Totals |
|---|---|---|---|---|
| Equity in pooled cash and investments | $ 50,662,963 | $ 4,091,078 | $ 2,171,217 | $ 56,925,258 |
| Cash and investments | 1,387,360 | - | - | 1,387,360 |
| Cash and investments held by trustee | 3,863,662 | - | - | 3,863,662 |
| | $ 55,913,985 | $ 4,091,078 | $ 2,171,217 | $ 62,176,280 |

| | Equity in Pool | Cash and Investments | Investments Held in Escrow | Totals |
|---|---|---|---|---|
| Cash on hand | $ - | $ 9,250 | $ - | $ 9,250 |
| Cash deposits | 8,652,584 | 1,378,110 | - | 10,030,694 |
| Investments | 48,272,674 | - | 3,863,662 | 52,136,336 |
| | $ 56,925,258 | $ 1,387,360 | $ 3,863,662 | $ 62,176,280 |

### 1. Cash deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local governments deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds.

The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and are considered to be uninsured but collateralized. The State Regulatory Commission for Banks and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools and as a co-agent over the release of collateral from the pools. As of December 31, 2016, all of the Town's deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

## 2. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

At December 31, 2016, the Town's investment balances were as follows:

| | | | Maturities | | |
|---|---|---|---|---|---|
| **Sector** | **% of Total** | **Market Value** | **Less than 1 year** | **1-3 years** | **3-5 years** |
| Agency | 15.43% | $ 8,045,738 | $ 2,001,416 | $ 4,497,437 | $ 1,546,885 |
| US Corporate | 6.71% | 3,500,837 | 499,741 | 2,496,052 | 505,044 |
| US Treasury | 5.82% | 3,036,596 | 499,551 | 1,994,629 | 542,416 |
| Municpal Bonds | 0.96% | 500,265 | 500,265 | - | - |
| Supranational | 0.95% | 497,526 | - | 497,526 | - |
| Commercial Paper | 0.95% | 495,328 | 495,328 | - | - |
| CSAFE | 61.48% | 32,053,432 | 32,053,432 | - | - |
| COLOTRUST | 7.50% | 3,907,857 | 3,907,857 | - | - |
| Great West Fund | 0.19% | 98,757 | 98,757 | - | - |
| | 100.00% | $ 52,136,336 | $ 40,056,347 | $ 9,485,644 | $ 2,594,345 |

**Concentration of Credit**

| Issuer Name | Cost | Market Value | Ratings Moody/SP | % of Total |
|---|---|---|---|---|
| Federal National Mortgage Associate | 3,568,151 | 3,551,116 | Aaa AA+ | 6.81% |
| Government of the United States | 3,040,661 | 3,036,596 | Aaa AA+ | 5.82% |
| Federal Home Loan Bank | 2,512,205 | 2,493,556 | Aaa AA+ | 4.78% |
| Federal Home Loan Mortgage Corp | 2,007,433 | 2,001,066 | Aaa AA+ | 3.84% |
| Cisco Systems | 521,270 | 505,044 | A1 AA- | 0.97% |
| Chevron Texaco Corp | 502,515 | 501,531 | Aa2 AA- | 0.96% |
| Berkshire Hathaway | 502,565 | 501,008 | Aa2 AA | 0.96% |
| New York St Urban Development | 500,175 | 500,265 | Aa1 AAA | 0.96% |
| Toyota Mortor Corp | 500,296 | 499,741 | Aa3 AA- | 0.96% |
| Wells Fargo Corp | 498,705 | 499,401 | A2 A | 0.96% |
| Apple Inc | 494,320 | 498,125 | AA1 AA+ | 0.96% |
| Intl Bank Recon and Development | 499,150 | 497,526 | Aaa AAA | 0.95% |
| Johnson & Johnson | 500,875 | 495,987 | Aaa AAA | 0.95% |
| Rabobank Nederland NV NY | 495,328 | 495,328 | P-1 A-1 | 0.95% |
| CSAFE Investment Pool | 32,053,432 | 32,053,432 | NR AAA | 61.48% |
| ColoTrust Investment Pool | 3,907,857 | 3,907,857 | NR AAA | 7.50% |
| Great West Gurarnteed Interest Fund | 89,149 | 89,149 | AA | 0.17% |
| Great West Guaranteed Fixed Fund | 9,608 | 9,608 | AA | 0.02% |

*Interest rate risk* – Interest rate risk is the risk that changes in financial market interest rates will adversely affect the value of an investment. State statute and the Town's investment policy limits interest rate risk by limiting the maximum maturity to five years. Commercial paper is further limited to a maximum maturity of three years. Maturities of the underlying investments in the local government investment pool are limited by the pool's investment policy to less than one year.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Town. National ratings agencies assess this risk and assign a credit quality rating for most investments. State statute and the Town's investment policy requires that US Treasury and Agency securities have the highest rating category of at least two nationally recognized rating agencies at the time of purchase. Commercial paper must have at least two ratings, which must not below A1, P1 or F1 from any nationally recognized credit rating agency at the time of purchase.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of a Town's investment in a single issuer. State statute and the Town's investment policy require that the book value of the Town's investment in commercial paper at no time exceed 50 percent of the Town's total investment portfolio or 5 percent of the book value of the portfolio if the notes are issued by a single issuer.

*Local government investment pool* represents the amount invested by the Town in the Colorado Local Government Liquid Asset Trust (COLOTRUST, the Trust) and Colorado Surplus Asset Fund Trust (CSAFE) which are investment vehicles established for local governments in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust and CSAFE.

COLOTRUST operates similarly to a money market fund in which each share has value of $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S.

Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2016, the Town had $22,864 invested in COLOTRUST PRIME and $120,087 invested in COLOTRUST PLUS+.

CSAFE operates similarly to money market funds and each share is equal in value to $1.00. Investments 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.

Wells Fargo Trust funds are held in escrow related to the Certificates of Participation. As of December 31, 2016, $3,764,902 Certificate of Participation Series 2009 reserve funds are currently being invested in COLOTRUST PLUS+.

*Fair value measurements* – To the extent available, the Town's investments are recorded at fair value as of December 31, 2016. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, inters and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the Town's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

> *Level 1 investments* – Values are based on quoted prices (unadjusted) for identical assets (or liabilities) in active markets that a government can access at the measurement date.
>
> *Level 2 investments* – Other than quoted prices included within Level 1 – that are observable for an asset (or liability), either directly or indirectly.
>
> *Level 3 investments* – Classified as Level 3 have unobservable inputs for an asset (or liability) and may require a degree of professional judgment.

The following table summarizes the Town's investments within the fair value hierarchy at December 31, 2016:

| **Asset** | | **Fair Value** | | **Significant Other Observable Inputs (Level 2)** |
|---|---|---|---|---|
| Agency | $ | 8,045,738 | $ | 8,045,738 |
| Commercial Paper | | 495,328 | | 495,328 |
| Great West Investment Pool | | 98,757 | | 98,757 |
| Municipal Bonds | | 500,265 | | 500,265 |
| Supranational | | 497,526 | | 497,526 |
| US Corporate | | 3,500,837 | | 3,500,837 |
| US Treasury | | 3,036,596 | | 3,036,596 |
| **Total Investments by Fair Value** | **$** | **16,175,047** | **$** | **16,175,047** |

ColoTrust records its investments at fair value and the Town records its investment in the trust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. $3,907,857 was in ColoTrust as of December 31, 2016.

The Town's investments in CSAFE as of December 31, 2016 was $32,053,432 and is measured at amortized cost and therefore not categorized in a level. The trust is similar to a money market fund, with each share valued at $1.00.

## B. Capital assets

Capital asset activity for the year ended December 31, 2016 was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | $ 87,561,384 | $ 949,651 | $ - | $ - | $ 88,511,035 |
| Intangible assets | 238,439,887 | 19,584,528 | - | - | 258,024,415 |
| Construction in progress | 22,815,475 | 22,765,905 | - | (18,316,216) | 27,265,164 |
| Total capital assets not being depreciated | 348,816,746 | 43,300,084 | - | (18,316,216) | 373,800,614 |
| Capital assets being depreciated: | | | | | |
| Buildings | 81,778,951 | 44,726 | (71,701) | 15,556,089 | 97,308,065 |
| Improvements other than buildings | 39,988,555 | 194,277 | - | 1,110,960 | 41,293,792 |
| Infrastructure | 308,936,913 | 5,840,331 | - | 1,649,167 | 316,426,411 |
| Intangible assets (Software) | 652,289 | 35,211 | - | - | 687,500 |
| Machinery and equipment | 18,648,803 | 2,717,315 | (749,304) | - | 20,616,814 |
| Total capital assets being depreciated | 450,005,511 | 8,831,860 | (821,005) | 18,316,216 | 476,332,582 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (17,359,634) | (2,868,749) | 20,313 | - | (20,208,070) |
| Improvements other than buildings | (9,062,627) | (1,406,006) | - | - | (10,468,633) |
| Infrastructure | (150,119,572) | (11,402,946) | - | - | (161,522,518) |
| Intangible assets (Software) | - | (201,517) | - | - | (201,517) |
| Machinery and equipment | (12,853,094) | (1,457,130) | 706,578 | - | (13,603,646) |
| Total accumulated depreciation | (189,394,927) | (17,336,348) | 726,891 | - | (206,004,384) |
| Total capital assets being depreciated, net | 260,610,584 | (8,504,488) | (94,114) | 18,316,216 | 270,328,198 |
| Governmental activities capital assets, net | $ 609,427,330 | $ 34,795,596 | $ (94,114) | $ - | $ 644,128,812 |
| **Business-type activities:** | | | | | |
| Capital assets not being depreciated: | | | | | |
| Construction in progress | $ 1,180,513 | $ 297,759 | $ - | $ (1,192,837) | $ 285,435 |
| Capital assets being depreciated: | | | | | |
| Machinery and equipment | 21,833 | 13,319 | - | - | 35,152 |
| Infrastructure | 9,100,459 | - | - | 1,192,837 | 10,293,296 |
| Total capital assets being depreciated | 9,122,292 | 13,319 | - | 1,192,837 | 10,328,448 |
| Less accumulated depreciation for: | | | | | |
| Machinery and equipment | (10,967) | (4,056) | - | - | (15,023) |
| Infrastructure | (1,112,086) | (199,523) | - | - | (1,311,609) |
| Total accumulated depreciation | (1,123,053) | (203,579) | - | - | (1,326,632) |
| Total capital assets being depreciated, net | 7,999,239 | (190,260) | - | 1,192,837 | 9,001,816 |
| Business-type activities capital assets, net | $ 9,179,752 | $ 107,499 | $ - | $ - | $ 9,287,251 |

Depreciation expense was charged to functions as follows:

**Governmental activities:**

| | | |
|---|---|---|
| General government | $ | 256,810 |
| Public safety | | 826,160 |
| Highways and Streets, including depreciation of general infrastructure assets | | 12,386,896 |
| Culture and recreation | | 2,605,505 |
| Capital assets held by the Town's internal service funds are charged to the various functions based on their usage of the assets | | 1,260,977 |
| Total depreciation expense - governmental activities | $ | 17,336,348 |

**Business-type activities:**

| | | |
|---|---|---|
| Stormwater utility | $ | 203,579 |

## C. Open construction commitments

At December 31, 2016, the Town had the following open construction commitments:

| Project | 2016 Expenditures | Remaining Commitment | Project Total |
|---|---|---|---|
| East/West Regional Trail | $ 278,623 | $ 936,900 | $ 1,813,760 |
| Bradbury Hills Trails Gap | 171,157 | 151,500 | 343,350 |
| Rueter Hess Reservoir Opportunity | 9,400 | 2,726,200 | 2,760,600 |
| Sulphur Gulch Trail Construction | - | 243,300 | 243,300 |
| Dog Park/Disc Golf | 381,619 | 1,087,300 | 1,470,000 |
| Discovery Park Project | 8,143,942 | 499,745 | 8,643,887 |
| Schoolhouse Rehabilititation Project | 1,116,247 | 220,168 | 1,336,415 |
| Ruth Chapel Foundation and Stairs | - | 60,500 | 60,500 |
| Parker Road Sidewalk Project | 56,675 | 62,700 | 1,000,000 |
| Jordan Road Widening - to Hess Road | 157,716 | 227,300 | 5,427,300 |
| Chambers Road - Mainstreet to Hess | 8,310,954 | 2,217,000 | 10,528,000 |
| The Plaza on Main Site Development | 2,043,732 | 155,400 | 2,199,170 |
| Newlin Gulch Cross At EW | 285,434 | 269,177 | 555,000 |
| **Total** | **$20,955,499** | **$ 8,857,190** | **$36,381,282** |

## D. Interfund transfers

This schedule summarizes the Town's interfund transfers for the year ended December 31, 2016:

| | Transfers In: | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | General Fund | Parks and Recreation Fund | Cultural Fund | Recreation Fund | Public Improvements Fund | Recreation Debt Service Fund | Debt Service Fund | Total Transfers In |
| **Transfers Out:** | | | | | | | | |
| General Fund | $ - | $ - | $ 1,800,000 | $ - | $ 1,500,000 | $ - | $ 756,205 | $ 4,056,205 |
| Conservation Trust Fund | - | 600,000 | - | - | - | - | - | 600,000 |
| Parks and Recreation Fund | 1,095,900 | - | - | 1,228,900 | 94,748 | 1,583,520 | - | 4,003,068 |
| Excise Tax Fund | - | - | 588,000 | - | - | - | - | 588,000 |
| Stormwater Utility Fund | - | - | - | - | - | - | 185,520 | 185,520 |
| Total transfers out | $ 1,095,900 | $ 600,000 | $ 2,388,000 | $ 1,228,900 | $ 1,594,748 | $ 1,583,520 | $ 941,725 | $ 9,432,793 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; - (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (4) account for capital assets to internal service funds.

In 2016, the general fund lent the fleet fund $408,470 due to negative cash that will be paid back in early 2017.

### E. Fund balance

Article X, Section 20 of the Constitution of the State of Colorado requires the Town to establish emergency reserves (see Note 5 Section B.2.). The amount required to be reserved at December 31, 2016 totaled $1,944,000 and is included in the General Fund's fund balance in the "Restricted" category.

Pursuant to agreements with developers, the Town has collected funds to be used for specific future capital projects. For this purpose, fund balance in the amount of $1,043,467 is restricted for parks, recreation and open space and $4,998,102 is restricted for highways and streets.

Revenues generated from the vehicle surcharges and late vehicle registration fees are distributed to the Town from the Highway Users Tax Fund. The revenue is restricted for road safety enhancements. The fund balance for December 31, 2016 $173,183 is restricted for highways and streets.

Certificates of Participation were issued in 2009 and 2014. As of December 31, 2016 Wells Fargo Trust held $3,764,906 in reserve funds for the 2009 series and 2014 series. These funds are restricted for debt service.

In 1990, Town citizens voted on 0.50 percent sales tax increase that is earmarked for parks and recreation improvements. For this purpose, fund balance in the amount of $6,300,988 is restricted.

The Law Enforcement Assistance Fund accounts for Victim Assistance Law Enforcement grant funds and court surcharges used to fund the victim and witness program. The December 31, 2016 fund balance totaled $97,862 restricted for this purpose.

Excise tax is paid by builders at the time a building permit is issued for a new residence or commercial structure. The fees are used to pay for capital projects, such as street improvements or parks that are needed for the new residents moving into the Town. The fees are only used for capital items and not to fund regular operations. The fund balance at December 31, 2016 totaled $7,079,488 for this purpose.

The Town receives monies from the State of Colorado lottery based upon a formula relative to the population of the Town. The funds, plus interest earned thereon, are restricted under the State Conservation Trust Fund. State statutes require these funds to be used for the acquisition, development and maintenance of parks and recreation facilities. Fund balance is restricted in the amount of $152,567 for parks, recreation and open space for this purpose.

Property tax revenues generated by PAR are restricted for economic development purposes within the defined areas of PAR. The fund balance was $158,966 at December 31, 2016.

## F. Long-term debt

### 1. Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2016 was as follows:

| | January 1, 2016 | Additions | Reductions | December 31, 2016 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Revenue bonds | | | | | |
| Sales and use tax, 2015 | $ 9,880,000 | $ - | $ 895,000 | $ 8,985,000 | $ 915,000 |
| Certificates of participation | | | | | |
| Series 2009 | 38,225,000 | - | 1,300,000 | 36,925,000 | 1,345,000 |
| Series 2014 | 18,795,000 | - | 740,000 | 18,055,000 | 760,000 |
| Discount | (59,803) | - | (3,262) | (56,541) | (3,262) |
| Premium | 627,894 | - | 34,249 | 593,645 | 34,249 |
| Total certificates of participation | 57,588,091 | - | 2,070,987 | 55,517,104 | 2,135,987 |
| Compensated absences | 1,559,025 | 2,165,382 | (1,752,461) | 1,971,946 | 985,973 |
| Total governmental activities | $ 69,027,115 | $ 2,165,382 | $ 1,213,526 | $ 66,474,050 | $ 4,036,960 |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, $165,470 of internal service funds compensated absences is included in the above amounts. For all other governmental activities, compensated absences are generally liquidated by the General Fund. The Stormwater Utility Fund, the Town's only business type activity, had an increase in compensated absence liability of $33,966 and a decrease of ($36,286), bringing the fund's total liability to $54,340.

At December 31, 2016, the Town believes it was in substantial compliance with all of its bond covenants.

### 2. Revenue bonds

Revenue bond debt service requirements to maturity are as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2017 | $ 915,000 | $ 183,341 | $ 1,098,341 |
| 2018 | 935,000 | 163,454 | 1,098,454 |
| 2019 | 955,000 | 143,136 | 1,098,136 |
| 2020 | 975,000 | 122,389 | 1,097,389 |
| 2021 | 995,000 | 101,211 | 1,096,211 |
| 2022-2025 | 4,210,000 | 183,718 | 4,393,718 |
| | $ 8,985,000 | $ 897,249 | $ 9,882,249 |

*Sales and Use Tax Revenue Bonds Refunding Note Dated January 7, 2015.*

In 2015, the Town issued a Sales and Use Tax Revenue Refunding Note, the proceeds were used to refund the Town's 2006 Sales and Use Tax Revenue Bonds used for the acquisition and construction of a Fieldhouse and related improvements. This issue consists of a bank loan in the original amount of $9,880,000 due annually on May 1 in various amounts through May 1, 2025. The note may be prepaid, in whole, on any date, at the prepayment price equal to outstanding principal plus accrued interest without any termination fee, premium or penalty. Interest at 2.15% is payable semiannually. This note is payable from pledged revenue that consists of the 2.5% Town sales and use tax. The gross savings were $1,188,324 and the net present value cash flow savings of the refunding was $1,026,164.

*Authorized General Obligation Debt*

In the November 6, 2001 election, voters authorized the issuance of $12.5 million of general obligation debt for the acquisition and preservation of open space and park land. As of December 31, 2016 this debt had not been issued.

## 3. Certificates of participation

Certificates of Participation debt service requirements to maturity are as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2017 | $ 2,105,000 | $ 3,043,299 | $ 5,148,299 |
| 2018 | 2,170,000 | 2,958,831 | 5,128,831 |
| 2019 | 2,230,000 | 2,869,561 | 5,099,561 |
| 2020 | 2,295,000 | 2,776,171 | 5,071,171 |
| 2021 | 2,365,000 | 2,675,530 | 5,040,530 |
| 2022-2026 | 13,220,000 | 11,477,185 | 24,697,185 |
| 2027-2031 | 16,260,000 | 7,331,995 | 23,591,995 |
| 2032-2035 | 14,335,000 | 2,136,391 | 16,471,391 |
| | $ 54,980,000 | $ 35,268,963 | $ 90,248,963 |

*Certificates of Participation Series 2009*

In 2009, the Town issued $44,250,000 in Certificates of Participation to finance the costs of constructing and equipping a new police station, as well as an arts, cultural and events center. Payments are due semi-annually in varying amounts through October 15, 2035. The lease allows the Town the option to purchase the properties prior to the end of the lease term by paying the amount necessary to discharge the outstanding COPs. The COPs maturing before November 1, 2020 are not subject to redemption prior to maturity. The COPs maturing on and after November 1, 2020, are subject to redemption on or after November 1, 2019 at the option of the Town.

Interest rates on these COPs range from 2.25% to 5.80%. Neither the lease nor the COPs constitute a general obligation or other indebtedness of the Town and the lease will terminate if Town Council does not appropriate funds to make the payments in any fiscal year. Repayment of

the COPs is secured only by moneys, if any, held by the trustee, the buildings and equipment therein.
Construction on the buildings and the COPs are reported in the government-wide statements. Annual debt service payments are included in the General Fund. The assets acquired with the COPs have a net book value of $39.5 million.

*Certificates of Participation Series 2014*

In 2014, the Town issued $19,520,000 in Certificates of Participation to finance the costs of constructing and equipping a new public works facility, as well as the recreation center expansion. Payments are due semi-annually in varying amounts through October 15, 2034. The lease allows the Town the option to purchase the properties prior to the end of the lease term by paying the amount necessary to discharge the outstanding COPs. The COPs maturing on or prior to November 1, 2023, are not subject to optional redemption prior to maturity. The COPs maturing on and after November 1, 2024, are subject to redemption prior to their respective maturity dates at the option of the Town, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the Town shall determine an by lot within a maturity, on Novemter 1, 2023, and on any date thereafter, at a redemption price equal to the principal amount of the 2014 Certificates so redeemed plus accrued interest to the redemption date without a premium.

Interest rates on these COPs range from 3.00% to 6.85%. Neither the lease nor the COPs constitute a general obligation or other indebtedness of the Town and the lease will terminate if Town Council does not appropriate funds to make the payments in any fiscal year. Repayment of the COPs is secured only by moneys, if any, held by the trustee, the buildings and equipment therein.

Construction on the buildings and the COPs are reported in the government-wide statements. Annual debt service payments are included in the Recreation Debt Service Fund and the General Debt Service Fund. The assets were completed in 2015.

## NOTE 5 OTHER INFORMATION

### A. Risk management

The Town is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The Town maintains commercial insurance coverage for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

### B. Commitments and contingencies

### 1. Tax and Fee Assistance Program Agreements

The Town has entered into agreements with developers to reimburse a share of sales tax generated within that development. The purpose of the agreements is to attract desirable retailers for economic development within the Town. The agreements are vetted by town employees and presented to Town Council for approval. Currently, there are nine agreements under which the Town has future commitments. The payments are to come from 50% to 87% of sales tax in excess of a defined annual base, ranging between $3,000 and $850,000. The agreements have terms of three to eleven years, expiring between 2017 and 2024 or when the amount equal to a defined maximum shareback amount has been reimbursed, whichever comes first.    There are no additional commitments made by devleopers.

Tax reimbursements in 2016 was $1,532,685.  Future commitments under these agreements amount to approximately $9.2 million.

Additionally, some of these agreements commit the Town to reimburse a portion building fees and building use tax.  The reimbursements of building fees and building use tax in 2016 was $308,362.

Parker Authority for Reinvestment (PAR) enters into tax increment financing (TIF) agreements to facilitate private investment that will prevent and eliminate blight in the three urban renewal areas within the Town of Parker.  PAR utilizes TIF to stimulate quality revitalization, redevelopment and infill development.  All TIF agreements PAR enters into have been determined that a financial gap exists in the project and TIF is used for improvements that have a public benefit and that support the redevelopment effort, such as site clearance, streets, utilities, parks, the removal of hazardous materials or conditions, or site acquisition.  There are four agreements under which PAR has future commitments.  The payments are for 50% to 75% of property tax increments in excess of a defined base of the value of the property before it was developed.  The agreements have terms of fifteen to seventeen years.

PAR reimbursed $46,811 in 2016.  Future commitments under these agreements amount to approximately $3.1 million.

## 2. Tax, spending and debt limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations applicable to the State of Colorado and all local governments, including revenue growth limitations, spending abilities, creation of multiple-fiscal year debt or other financial obligations, tax rate increases, imposing new taxes and other specific requirements.

The Town's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

The Amendment requires that emergency reserves be established.  These reserves must be at least three percent of fiscal year spending (excluding bonded debt service).  Emergency reserves as of December 31, 2016 totaling $1,944,000 have been presented as a reservation of fund balance in the General Fund.  The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue_shortfalls or salary or benefit increases.

In April 1996, voters in the Town approved an amendment to the Home Rule Charter which authorizes the Town to collect, retain and expend all revenue of the Town for 1996 and each subsequent fiscal year, notwithstanding any limitation contained in Article X, Section 20 of the State Constitution.

The Amendment is complex and subject to judicial interpretation.  The Town believes it is in compliance with the requirements of the amendment.  However, the Town has made certain interpretations in the amendment's language in order to determine its compliance.

## 3. Litigation

At December 31, 2016, there was one lawsuit pending in which the Town is involved. Town management and its legal counsel believes that an unfavorable outcome is not likely.

## C. Employee benefits

## 1. Colorado Fire and Police Pension Association (FPPA)

### *Plan Information*

*Plan Description*

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the FPPA. This plan provides retirement benefits for police officers and their beneficiaries. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature.

*Description of Benefits*

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of the credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliates Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007 members currently covered under Social Security will receive half of the benefits when comparted to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, and employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited services may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*Contributions*

Contribution rates for the Statewide Defined Benefit Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. Members of this Plan and their employer were contributing 8% of base salary for a total contribution rate of 16% through 2014. The members elected to increase the member contribution rate beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% base salary.

Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. The member contribution rate for 2016 was 9% and for 2017 is 9.5%.

### ***Net Pension Asset***

*Actuarial Assumptions*

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

| | Total Pension Liability | Actuarially Determined Contributions |
|---|---|---|
| Actuarial Valuation Date | January 1, 2016 | January 1, 2015 |
| Actuarial Method | Entry Age Normal | Entry Age Normal |
| Amortization Method | Level % of Payroll, Open | Level % of Payroll, Open |
| Amortization Period | 30 Years | 30 Years |
| Long-term Investment Rate of Return* | 7.5% | 7.5% |
| Projected Salary Increases* | 4.0% - 14.0% | 4.0% - 14.0% |
| Cost of Living Adjustments | 0.0% | 0.0% |
| *Includes Inflation at | 2.5% | 3.0% |

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Rate of Return |
|---|---|---|
| Global Equity | 37.0% | 6.5% |
| Equity Long/Short | 10.0% | 4.7% |
| Illiquid Alternatives | 20.0% | 8.0% |
| Fixed Income | 16.0% | 1.5% |
| Absolute Return | 11.0% | 4.1% |
| Managed Futures | 4.0% | 3.0% |
| Cash | 2.0% | 0.0% * |
| **Total** | **100.0%** | |

*While the expected inflation exceeds the expected rate of return for cash, a 0.00 percent real rate of return is utilized

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount Rate*

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the Town's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

### ***Changes in the Net Pension Liability (Asset)***

*Sensitivity Analysis*

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the Town's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

| 1% Decrease 6.50% | Single Discount Rate Assumption 7.50% | 1% Increase 8.50% |
|---|---|---|
| $2,533,658 | $(18,087) | $(2,134,671) |

*Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions*

At December 31, 2015, the Town reported an asset of $18,087 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension asset to December 31, 2015. The Town's proportion of the net pension asset was based on the Town's contributions to FPPA for the calendar year 2015 relative to the total contributions of participating employers to FPPA. At December 31, 2015 the Town's proportion was 1.02598133861616 percent which was a decrease of 0.052130844083840 percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2015, the Town recognized pension expense of $285,812. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | | Deferred Outflows of Resources | | Deferred Inflows of Resources |
|---|---|---|---|---|
| Differences between expected and actual experience | $ | 146,278 | $ | 21,354 |
| Change in Assumptions | | 284,088 | | |
| Net difference between projected and actual earnings on pension plan investments | | 921,412 | | - |
| Changes in proportionate share | | 24,736 | | - |
| Contributions subsequent to measurement date | | 430,188 | | - |
| Total | $ | 1,806,702 | $ | 21,354 |

$430,188 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

| Year ended | Totals |
|---|---|
| 2017 | 279,790 |
| 2018 | 279,790 |
| 2019 | 279,790 |
| 2020 | 260,605 |
| 2021 | 47,593 |
| Thereafter | 207,592 |
| | **1,355,160** |

*FPPA Death and Disability Insurance*

In addition to the retirement plan, officers are covered by death and disability insurance through the Statewide Death and Disability Plan which is also administered by the FPPA. The Town pays the death and disability coverage for members who were hired prior to January 1, 1997. For officers hired on or after January 1, 1997, the Town contributes 1% and the employee pays 1.6% of the employee's base salary.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. These reports may be obtained on the FPPA website at http://www.fppaco.org . The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

## 2. Parker defined contribution retirement plan

Full-time employees not covered under FPPA are covered by a mandatory defined contribution retirement plan (401a) established by the Town and maintained and administered by Empower Retirement Company. At December 31, 2016, there were 250 active plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members immediately upon employment. Under this plan, plan members contribute 8% of their compensation with a matching 10% from the Town. The Town's contributions plus earnings on those contributions become vested at a rate of 20% per year of employment service. Town contributions for plan members who leave employment before they are fully vested can be used to reduce the Town's current period contribution requirement. In 2016, the Town utilized $57,827 forfeiture funds to reduce the $1,501,044 Town pension expense. There is no liability for benefits under the plan beyond the Town's matching payments. Plan provisions and contribution requirements are established and may be amended by the Town Council. A separate plan exists for department heads. The only differences in this plan are that the Town's matching payment is 12% and vesting is on a 2 year schedule. All other provisions are the same as the employees defined contribution plan.

Contributions by plan members and the Town for the past three years were as follows:

| Year | Member Contributions | Town Contributions | Total |
|---|---|---|---|
| 2016 | $1,167,000 | $ 1,443,217 | $2,610,217 |
| 2015 | 1,063,628 | 467,133 | 1,530,761 |
| 2014 | 968,634 | 1,245,723 | 2,214,357 |

## 3. Deferred compensation plan

The Town's deferred compensation plan was created in accordance with Internal Revenue Code Section 457. This plan allows employees at their option to defer a portion of their salary until future years. Compensation deferred is not available to the employee until termination, retirement, death, or permanent disability. All amounts deferred are held in trust for the exclusive benefit of participating employees. This plan is administered by Empower Retirement Company.

For all full-time paid police officers, in addition to the contributions to FPPA, the Town contributes 2% of their compensation to their 457 account, bringing the total retirement contribution of the Town for these police officers to 10%.

# NOTE 6 COMPLIANCE AND ACCOUNTABILITY

## A. Net position deficit

The Fleet Services Fund reported an unrestricted net position deficit of $(488,099) at December 31, 2016 which will be covered by operating revenue in 2017.

## B. Exceeded budgeted expenditures

The Fleet Services Fund exceeded budgeted expenditures in 2016 by $126,323 due to late expenditures. Due to the timing of the expenditures, the Town was unable to complete a supplemental appropriation for the budget deficiency.

The Facility Services Fund exceeded budgeted expenditures in 2016 by $109,542 due to late expenditures. Due to the timing of the expenditures, the Town was unable to complete a supplemental appropriation for the budget deficiency.

The Health Benefits Fund exceeded budgeted expenditures in 2016 by $517,533 due to late medical claims in the plan. Due to the timing of the expenditures, the Town was unable to complete a supplemental appropriation for the budget deficiency.

### C. New applicable GASB standards

GASB has issued Statement number 72 Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements for this Statement were implemented on the financial statements issued for the period ending December, 31 2016.

GASB has issued Statement number 77 Tax Abatement Disclosures. This Statement requires the Town to provide information to readers of the financial statements regarding tax abatements offered to tax payers. The requirements for this Statement were implemented on the financial statements issued for the period ending December 31, 2016.

# REQUIRED SUPPLEMENTARY INFORMATION

**Defined Benefit Pension Plan Schedules**

Schedule of the Proportionate Share of the Net Pension Liability (Asset)

Schedule of Contributions

PARKER
COLORADO

PARKER
COLORADO

## Schedule of the Proportionate Share of the Net Pension Liability (Asset)
## FPPA Pension Plan
## Last Ten Years*

| | 2014 | 2015 | 2016 |
|---|---|---|---|
| Proportion of the net pension liability (asset) | 1.044% | 1.078% | 1.026% |
| Proportionate share of the net pension liability (asset) | $ (933,843) | $ (1,216,731) | $ (18,087) |
| Covered employee payroll | $ 4,860,850 | $ 4,984,838 | $ 5,377,350 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll | -19.212% | -24.409% | -0.336% |
| Plan fiduciary net position as a percentage of the total pension liability | 105.831% | 106.828% | 100.095% |
| Total pension liability (asset) | $ 16,016,465 | $ 17,820,128 | $ 18,949,485 |
| Plan fiduciary net position | 16,950,308 | 19,036,859 | 18,967,572 |
| **Net pension liability (asset)** | **$ (933,843)** | **$ (1,216,731)** | **$ (18,087)** |

*Information for the prior seven years was not available to report

## TOWN OF PARKER, COLORADO
### Schedule of Employer Contributions
### Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Statutorily required contribution | $ 288,725 | $ 314,856 | $ 326,744 | $ 326,744 | $ 341,789 | $ 351,142 | $ 362,859 | $ 388,868 | $ 398,787 | $ 430,188 |
| Contributions in relation to the statutorily required contribution | 288,725 | 314,856 | 326,744 | 326,744 | 341,789 | 351,142 | 362,859 | 388,868 | 398,787 | 430,188 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Employer's covered-employee payroll | $3,609,063 | $3,935,700 | $4,084,300 | $4,084,300 | $4,272,363 | $4,389,275 | $4,535,738 | $4,860,850 | $4,984,838 | $5,377,350 |
| Contributions as a percentage of covered employee payroll | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

PARKER
COLORADO

PARKER
COLORADO

# OTHER (NON-MAJOR) GOVERNMENTAL FUNDS

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted to expenditures for specific purposes.

**Conservation Trust Fund** – This fund accounts for lottery proceeds from the State of Colorado and the subsequent transfer of those monies for expenditure.

**Law Enforcement Assistance Fund** – This fund accounts for Victim Assistance Law Enforcement (VALE) grant funds; court surcharge revenues used to fund the victim/witness program and other police related expenditures.

**Parker Authority for Reinvestment Fund** – This fund accounts for the activities of the Parker Authority for Reinvestment a component unit engaged in urban renewal activities.

**Greater Parker Foundation Fund** – This fund accounts for the activities of the Greater Parker Foundation a component unit engaged in fund raising activities that benefit the Town of Parker..

**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Parkglenn Construction Fund** – Accounts for construction related to the Parkglenn Special Improvement District.

**DEBT SERVICE FUNDS**

Debt service funds are used to account for the accumulation of resources for and the payment of long-term debt principal, interest, and related costs.

**General Debt Service Fund** – Accounts for payments of principal and interest on the portion of the 2014 Certificates of Participation debt issued to construct the new Public Works facility.

**Recreation Debt Fund** – Accounts for payments of principal and interest on the 2006 Sales and Use Tax issued to construct the Fieldhouse and the portion of the 2014 Certificates of Participation debt issued to construct the Recreation Center expansion.

**TOWN OF PARKER, COLORADO**
**Other (Non-major) Governmental Funds**
**Combining Balance Sheet**
**December 31, 2016**

| | Special Revenue | | |
|---|---|---|---|
| | Conservation Trust | Law Enforcement Assistance | Parker Authority For Reinvestment |
| **ASSETS** | | | |
| Equity in pooled cash and investments | $ - | $ 184,387 | $ - |
| Cash and investments | 152,567 | - | 1,197,571 |
| Investment earnings receivable | - | 161 | - |
| Accounts receivable | - | 658 | 2 |
| Prepaid items | - | 92 | - |
| Total assets | $ 152,567 | $ 185,298 | $ 1,197,573 |
| **Liabilities** | | | |
| Accounts payable | $ - | $ 3,138 | $ 1,038,607 |
| Other current liabilities | - | 83,548 | - |
| Total liabilities | - | 86,686 | 1,038,607 |
| **Deferred inflow of resources** | | | |
| Unavailable resources | - | 658 | - |
| **Fund balances** | | | |
| Non-spendable: | | | |
| Prepaid items | - | 92 | - |
| Restricted: | | | |
| Parks, recreation and open space | 152,567 | - | - |
| Law enforcement | - | 97,862 | - |
| Highways and streets | - | - | - |
| Economic development | - | - | 158,966 |
| Assigned: | | | |
| Fundraising | | - | - |
| Total fund balances | 152,567 | 97,954 | 158,966 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 152,567 | $ 185,298 | $ 1,197,573 |

(continued)

# TOWN OF PARKER, COLORADO
## Other (Non-major) Governmental Funds
## Combining Balance Sheet (continued)
## December 31, 2016

| | | Capital Projects | |
|---|---|---|---|
| Greater Parker Foundation | Total Special Revenue | Parkglenn Construction | Total Other Governmental Funds |
| $ - | $ 184,387 | $ 201,165 | $ 385,552 |
| 27,972 | 1,378,110 | - | 1,378,110 |
| - | 161 | 179 | 340 |
| - | 660 | - | 660 |
| - | 92 | - | 92 |
| $ 27,972 | $ 1,563,410 | $ 201,344 | $ 1,764,754 |
| $ 215 | $ 1,041,960 | $ - | $ 1,041,960 |
| - | 83,548 | - | 83,548 |
| 215 | 1,125,508 | - | 1,125,508 |
| - | 658 | - | 658 |
| - | 92 | - | 92 |
| - | 152,567 | - | 152,567 |
| - | 97,862 | - | 97,862 |
| - | - | 201,344 | 201,344 |
| - | 158,966 | - | 158,966 |
| | - | | |
| 27,757 | 27,757 | - | 27,757 |
| 27,757 | 437,244 | 201,344 | 638,588 |
| $ 27,972 | $ 1,563,410 | $ 201,344 | $ 1,764,754 |

(concluded)

## TOWN OF PARKER, COLORADO
## Other (Non-major) Governmental Funds
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## For the Year Ended December 31, 2016

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Conservation Trust | Law Enforcement Assistance | Parker Authority For Reinvestment | Greater Parker Foundation | Total Special Revenue |
| **REVENUES** | | | | | |
| Intergovernmental | $ 475,661 | $ 45,431 | $ 431,096 | $ - | $ 952,188 |
| Charges for services | - | 2,114 | - | - | 2,114 |
| Fines and forfeitures | - | 92,703 | - | - | 92,703 |
| Net investment earnings | 111 | 1,327 | 100 | - | 1,538 |
| Miscellaneous | - | 221 | - | 29,247 | 29,468 |
| | 475,772 | 141,796 | 431,196 | 29,247 | 1,078,011 |
| **EXPENDITURES** | | | | | |
| Current | | | | | |
| Public safety | - | 129,196 | - | - | 129,196 |
| Economic development | - | - | 209,564 | - | 209,564 |
| Culture and recreation | - | - | - | 32,695 | 32,695 |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Total expenditures | - | 129,196 | 209,564 | 32,695 | 371,455 |
| Excess (deficiency) of revenues over (under) expenditures | 475,772 | 12,600 | 221,632 | (3,448) | 706,556 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (600,000) | - | - | - | (600,000) |
| Total other financing sources (uses) | (600,000) | - | - | - | (600,000) |
| Net change in fund balances | (124,228) | 12,600 | 221,632 | (3,448) | 106,556 |
| Fund balances - January 1 | 276,795 | 85,354 | (62,666) | 31,205 | 330,688 |
| Fund balances - December 31 | $ 152,567 | $ 97,954 | $ 158,966 | $ 27,757 | $ 437,244 |

(continued)

# TOWN OF PARKER, COLORADO
## Other (Non-major) Governmental Funds (continued)
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## For the Year Ended December 31, 2016

| Capital Projects | Debt Service | | | |
|---|---|---|---|---|
| Parkglenn Construction | General Debt | Recreation Debt | Total Debt Service | Total Other Governmental Funds |
| $ - | $ - | $ - | $ - | $ 952,188 |
| - | - | - | - | 2,114 |
| - | - | - | - | 92,703 |
| 1,225 | - | - | - | 2,763 |
| - | - | - | - | 29,468 |
| 1,225 | - | - | - | 1,079,236 |
| | | | | |
| - | - | - | - | 129,196 |
| - | - | - | - | 209,564 |
| - | - | - | - | 32,695 |
| | | | | |
| - | 488,400 | 1,146,600 | 1,635,000 | 1,635,000 |
| - | 453,325 | 436,920 | 890,245 | 890,245 |
| - | 941,725 | 1,583,520 | 2,525,245 | 2,896,700 |
| | | | | |
| 1,225 | (941,725) | (1,583,520) | (2,525,245) | (1,817,464) |
| | | | | |
| - | 941,725 | 1,583,520 | 2,525,245 | 2,525,245 |
| - | - | - | - | (600,000) |
| - | 941,725 | 1,583,520 | 2,525,245 | 1,925,245 |
| | | | | |
| 1,225 | - | - | - | 107,781 |
| 200,119 | - | - | - | 530,807 |
| $ 201,344 | $ - | $ - | $ - | $ 638,588 |

(concluded)

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Conservation Trust Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 407,600 | $ 407,600 | $ 475,661 | $ 68,061 |
| Net investment earnings | 500 | 500 | 111 | (389) |
| Total revenues | 408,100 | 408,100 | 475,772 | 67,672 |
| **OTHER FINANCING USES** | | | | |
| Transfers out | (600,000) | (600,000) | (600,000) | - |
| Net change in fund balance | (191,900) | (191,900) | (124,228) | 67,672 |
| Fund balance - January 1 | 275,132 | 276,795 | 276,795 | - |
| Fund balance - December 31 | $ 83,232 | $ 84,895 | $ 152,567 | $ 67,672 |

**TOWN OF PARKER, COLORADO**
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**
**Law Enforcement Assistance Fund**
**For the Year Ended December 31, 2016**

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 45,000 | $ 45,000 | $ 45,431 | $ 431 |
| Charges for services | 4,100 | 4,100 | 2,114 | (1,986) |
| Fines and forfeitures | 90,000 | 90,000 | 92,703 | 2,703 |
| Net investment earnings | 1,600 | 1,600 | 1,327 | (273) |
| Miscellaneous | - | - | 221 | 221 |
| | 140,700 | 140,700 | 141,796 | 1,096 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Public safety | 130,504 | 137,003 | 129,196 | 7,807 |
| Net change in fund balance | 10,196 | 3,697 | 12,600 | 8,903 |
| Fund balance - January 1 | 82,736 | 85,354 | 85,354 | - |
| Fund balance - December 31 | $ 92,932 | $ 89,051 | $ 97,954 | $ 8,903 |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Parker Authority for Reinvestment
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 471,400 | $ 471,400 | $ 431,096 | $ (40,304) |
| Investment earnings | - | - | 100 | 100 |
| Total revenues | 471,400 | 471,400 | 431,196 | (40,204) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Economic development | 272,489 | 272,489 | 209,564 | 62,925 |
| Excess (deficiency) of revenues over/(under) expenditures | 198,911 | 198,911 | 221,632 | 22,721 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers out | (100,000) | (100,000) | - | 100,000 |
| Net change in fund balance | 98,911 | 98,911 | 221,632 | 122,721 |
| Fund balance - January 1 | (63,206) | (62,666) | (62,666) | - |
| Fund balance - December 31 | $ 35,705 | $ 36,245 | $ 158,966 | $ 122,721 |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Greater Parker Foundation
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Miscellaneous | $ 26,000 | $ 26,000 | $ 29,247 | $ 3,247 |
| **EXPENDITURES** | | | | |
| Culture and recreation | 33,010 | 44,000 | 32,695 | 11,305 |
| Net change in fund balance | (7,010) | (18,000) | (3,448) | 14,552 |
| Fund balance - January 1 | 32,013 | 31,205 | 31,205 | - |
| Fund balance - December 31 | $ 25,003 | $ 13,205 | $ 27,757 | $ 14,552 |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Public Improvements Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Taxes | $ 2,436,867 | $ 2,436,867 | $ 2,983,632 | $ 546,765 |
| Intergovernmental | 3,034,000 | 3,034,000 | 3,129,090 | 95,090 |
| Contributions | 3,439,300 | 3,488,217 | 4,071,476 | 583,259 |
| Net investment earnings | 69,300 | 69,300 | 114,905 | 45,605 |
| Miscellaneous | - | - | 137,471 | 137,471 |
| Total revenues | 8,979,467 | 9,028,384 | 10,436,574 | 1,408,190 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Highways and streets | 1,500,000 | 2,050,000 | 2,029,850 | 20,150 |
| Economic development | - | - | 234,108 | (234,108) |
| Building | 22,000 | 22,000 | 21,679 | 321 |
| Capital outlay | | | | |
| Highways and streets | 16,193,661 | 19,355,917 | 11,688,757 | 7,667,160 |
| Building | 378,000 | 544,741 | 236,679 | 308,062 |
| Total expenditures | 18,093,661 | 21,972,658 | 14,211,073 | 7,761,585 |
| Excess (deficiency) of revenues over (under) expenditures | (9,114,194) | (12,944,274) | (3,774,499) | 9,169,775 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 1,500,000 | 1,600,000 | 1,594,748 | (5,252) |
| Net change in fund balance | (7,614,194) | (11,344,274) | (2,179,751) | 9,164,523 |
| Fund balance - January 1 | 11,651,643 | 14,630,651 | 14,630,651 | - |
| Fund balance - December 31 | $ 4,037,449 | $ 3,286,377 | $ 12,450,900 | $ 9,164,523 |

# TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Excise Tax Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Excise tax - new development | $ 1,657,700 | $ 1,657,700 | $ 2,798,039 | $ 1,140,339 |
| Net investment earnings | 14,500 | 14,500 | 35,728 | 21,228 |
| Total revenues | 1,672,200 | 1,672,200 | 2,833,767 | 1,161,567 |
| **OTHER FINANCING USES** | | | | |
| Transfers out | (588,000) | (588,000) | (588,000) | - |
| Net change in fund balance | 1,084,200 | 1,084,200 | 2,245,767 | 1,161,567 |
| Fund balance - January 1 | 4,327,066 | 4,833,721 | 4,833,721 | - |
| Fund balance - December 31 | $ 5,411,266 | $ 5,917,921 | $ 7,079,488 | $ 1,161,567 |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Parkglenn Construction Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Net investment earnings | $ 800 | $ 800 | $ 1,225 | $ 425 |
| Net change in fund balance | 800 | 800 | 1,225 | 425 |
| Fund balance - January 1 | - | 200,119 | 200,119 | - |
| Fund balance - December 31 | $ 800 | $ 200,919 | $ 201,344 | $ 425 |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## General Debt Service Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **EXPENDITURES** | | | | |
| Debt Service | | | | |
| Principal | $ 488,400 | $ 488,400 | $ 488,400 | $ - |
| Interest | 453,325 | 453,325 | 453,325 | - |
| Total expenditures | 941,725 | 941,725 | 941,725 | - |
| Deficiency of revenues under expenditures | (941,725) | (941,725) | (941,725) | - |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 941,725 | 941,725 | 941,725 | - |
| Net change in fund balance | - | - | - | - |
| Fund balance - January 1 | - | - | - | - |
| Fund balance - December 31 | $ - | $ - | $ - | $ - |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Recreation Debt Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **EXPENDITURES** | | | | |
| Debt service | | | | |
| Principal | $ 2,041,600 | $ 1,146,600 | $ 1,146,600 | $ - |
| Interest | 640,289 | 436,900 | 436,920 | (20) |
| Fiscal charges | 2,000 | 2,000 | - | 2,000 |
| Total expenditures | 2,683,889 | 1,585,500 | 1,583,520 | 1,980 |
| Deficiency of revenues under expenditures | (2,683,889) | (1,585,500) | (1,583,520) | 1,980 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 2,683,889 | 1,585,500 | 1,583,520 | (1,980) |
| Net change in fund balance | - | - | - | - |
| Fund balance - January 1 | - | - | - | - |
| Fund balance - December 31 | $ - | $ - | $ - | $ - |

# INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

**Fleet Services Fund** – This fund accounts for the repairs and preventative maintenance of all Town vehicles and equipment. Revenue is derived from participating departments based upon services rendered.

**Technology Management Fund** – This fund accounts for the purchasing of computer equipment, software, and computer repair and maintenance for all departments of the Town. Revenue is derived from all departments based on their estimated share of these costs.

**Facility Services Fund** – This fund accounts for the maintenance of Town facilities. Funding is established through base rates charged to applicable departments and funds based on the square footage and amount of usage of each building.

**Health Benefits Fund** – This fund accounts for the healthcare costs for the Town's healthcare. Funding is established through rates charged to applicable departments and employee's payroll deductions.

## TOWN OF PARKER, COLORADO
## Internal Service Funds
## Combining Statement of Net Position
## December 31, 2016

| | Fleet Services | Technology Management | Facility Services | Medical Benefits | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current assets | | | | | |
| Equity in pooled cash and investments | $ - | $ 1,556,138 | $ 125,845 | $ 553,403 | $ 2,235,386 |
| Investment earnings receivable | - | 1,360 | 100 | 491 | 1,951 |
| Accounts receivable | 29,731 | 51,463 | 3,312 | 3,517 | 88,023 |
| Prepaid items | 4,113 | 39,749 | - | - | 43,862 |
| Inventory | 40,158 | - | - | - | 40,158 |
| Total current assets | 74,002 | 1,648,710 | 129,257 | 557,411 | 2,409,380 |
| Capital assets | | | | | |
| Construction in progress | - | 35,428 | - | - | 35,428 |
| Intangible assets | - | 631,336 | - | - | 631,336 |
| Machinery and equipment | 10,955,296 | 3,075,800 | - | - | 14,031,096 |
| Improvements other than buildings | - | 140,351 | - | - | 140,351 |
| Accumulated depreciation | (6,746,273) | (2,880,162) | - | - | (9,626,435) |
| Capital assets net of accumulated depreciation | 4,209,023 | 1,002,753 | - | - | 5,211,776 |
| Total assets | 4,283,025 | 2,651,463 | 129,257 | 557,411 | 7,621,156 |
| **LIABILITIES** | | | | | |
| Current liabilities | | | | | |
| Accounts payable and other current liabilities | 128,834 | 242,583 | 49,415 | 56,352 | 477,184 |
| Unearned revenue | 5,036 | 8,387 | 3,312 | - | 16,735 |
| Interfund payable | 408,170 | - | - | - | 408,170 |
| Compensated absences | 20,061 | 110,562 | 34,847 | - | 165,470 |
| Total liabilities | 562,101 | 361,532 | 87,574 | 56,352 | 1,067,559 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 4,209,023 | 1,002,753 | - | - | 5,211,776 |
| Unrestricted | (488,099) | 1,287,178 | 41,683 | 501,059 | 1,341,821 |
| Total net position | $ 3,720,924 | $ 2,289,931 | $ 41,683 | $ 501,059 | $ 6,553,597 |

**TOWN OF PARKER, COLORADO**
**Internal Service Funds**
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**
**For the Year Ended December 31, 2016**

| | Fleet Services | Technology Management | Facility Services | Medical Benefits | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for sales and services | $ 2,108,409 | $ 3,808,767 | $ 943,725 | $ 2,591,573 | $ 9,452,474 |
| Miscellaneous | 6,327 | 4,448 | 199 | 2,500 | 13,474 |
| Total operating revenues | 2,114,736 | 3,813,215 | 943,924 | 2,594,073 | 9,465,948 |
| **OPERATING EXPENSES** | | | | | |
| Cost of sales and services | 1,076,022 | 3,093,261 | 984,492 | 2,561,733 | 7,715,508 |
| Depreciation | 958,819 | 302,158 | - | - | 1,260,977 |
| Total operating expenses | 2,034,841 | 3,395,419 | 984,492 | 2,561,733 | 8,976,485 |
| Operating income (loss) | 79,895 | 417,796 | (40,568) | 32,340 | 489,463 |
| **NON-OPERATING REVENUES** | | | | | |
| Net investment earnings | (376) | 6,986 | 555 | 2,957 | 10,122 |
| Gain (loss) on disposal of asset | 116,317 | - | - | - | 116,317 |
| Total non-operating revenue | 115,941 | 6,986 | 555 | 2,957 | 126,439 |
| Income before contributions and transfers | 195,836 | 424,782 | (40,013) | 35,297 | 615,902 |
| Capital contributions | 670,960 | 137,794 | - | - | 808,754 |
| Transfers out* | - | (25,853) | - | - | (25,853) |
| Changes in net position | 866,796 | 536,723 | (40,013) | 35,297 | 1,398,803 |
| Total net position - January 1 | 2,854,128 | 1,753,208 | 81,696 | 465,762 | 5,154,794 |
| Total net position - December 31 | $ 3,720,924 | $ 2,289,931 | $ 41,683 | $ 501,059 | $ 6,553,597 |

*In 2016 $25,853 capital assets were transferred to governmental activities account

**TOWN OF PARKER, COLORADO**
**Internal Service Funds**
**Combining Statement of Cash Flows**
**For the Year Ended December 31, 2016**

| | Fleet Services | Technology Management | Facility Services | Medical Benefits | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Receipts from customers and users | $ 2,098,528 | $ 3,796,728 | $ 940,676 | $ 2,588,059 | $ 9,423,991 |
| Receipts from others | 11,363 | 12,835 | 3,511 | 2,500 | 30,209 |
| Payments to suppliers | (557,572) | (1,789,260) | (309,372) | (2,644,989) | (5,301,193) |
| Payments to employees | (446,363) | (1,077,787) | (670,012) | - | (2,194,162) |
| Net cash provided (used) by operating activities | 1,105,956 | 942,516 | (35,197) | (54,430) | 1,958,845 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Receipts from the sale of assets | 116,317 | - | - | - | 116,317 |
| Purchases of capital assets | (1,287,914) | (166,133) | - | - | (1,454,047) |
| Net cash provided (used) by capital and related financing activities | (1,171,597) | (166,133) | - | - | (1,337,730) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Net investment earnings received | (376) | 6,121 | 558 | 2,853 | 9,156 |
| Net cash provided (used) by investing activities | (376) | 6,121 | 558 | 2,853 | 9,156 |
| Net increase (decrease) in cash and cash equivalents | (66,017) | 782,504 | (34,639) | (51,577) | 630,271 |
| Equity in pooled cash and cash equivalents - January 1 | (342,153) | 773,634 | 160,484 | 604,980 | 1,196,945 |
| Equity in pooled cash and cash equivalents - December 31* | $ (408,170) | $ 1,556,138 | $ 125,845 | $ 553,403 | $ 1,827,216 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | | | | |
| Operating income (loss) | $ 79,895 | $ 417,796 | $ (40,568) | $ 32,340 | $ 489,463 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | | |
| Depreciation expense | 958,819 | 302,158 | - | - | 1,260,977 |
| Changes in current assets and liabilities: | | | | | |
| Inventory | 3,457 | - | - | - | 3,457 |
| Prepaid items | (4,113) | 38,492 | - | - | 34,379 |
| Accounts receivable | (9,881) | (12,039) | (3,049) | (3,514) | (28,483) |
| Accounts payable | 71,155 | 173,939 | (5,777) | (83,256) | 156,061 |
| Unearned revenue | 5,036 | 8,387 | 3,312 | - | 16,735 |
| Compensated absences and wages payable | 1,588 | 13,783 | 10,885 | - | 26,256 |
| Total adjustments | 1,026,061 | 524,720 | 5,371 | (86,770) | 1,469,382 |
| Net cash provided (used) by operating activities | $ 1,105,956 | $ 942,516 | $ (35,197) | $ (54,430) | $ 1,958,845 |
| **NONCASH CAPITAL ACTIVITIES:** | | | | | |
| Contributions of capital assets | $ 670,960 | $ 137,794 | $ - | $ - | $ 808,754 |

*Represents $408,170 negative cash in Fleet Fund which is reflected as interfund payable on the Combining Statement of Net Position and interfund receivable on the General Fund balance sheet. Interfund payable will be paid beginning 2017.

# TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis
## Fleet Services Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 1,587,800 | $ 2,012,100 | $ 2,108,409 | $ 96,309 |
| Net investment earnings | 300 | 300 | (376) | (676) |
| Gain on sale of disposal of asset | - | - | 116,317 | 116,317 |
| Miscellaneous | - | - | 6,327 | 6,327 |
| Total revenues | 1,588,100 | 2,012,400 | 2,230,677 | 218,277 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Fleet services | 877,613 | 877,613 | 1,076,022 | (198,409) |
| Capital outlay | 1,340,000 | 1,360,000 | 1,287,914 | 72,086 |
| Total expenditures | 2,217,613 | 2,237,613 | 2,363,936 | (126,323) |
| Excess (deficiency) of revenues over (under) expenditures | (629,513) | (225,213) | (133,259) | 91,954 |
| Funds available for appropriation - January 1 | 1,970,346 | (354,840) | (354,840) | - |
| Funds available for appropriation - December 31 | $ 1,340,833 | $ (580,053) | (488,099) | $ 91,954 |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | 4,209,023 | |
| Net position - December 31 | | | $ 3,720,924 | |

Funds available at December 31 is computed as follows:

| | |
|---|---|
| Current assets | $ 74,002 |
| Current liabilities | (562,101) |
| Funds available - December 31 | $ (488,099) |

# TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis
## Technology Management Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 3,634,496 | $ 3,634,496 | $ 3,808,767 | $ 174,271 |
| Net investment earnings | 1,500 | 1,500 | 6,986 | 5,486 |
| Miscellaneous | - | - | 4,448 | 4,448 |
| Total revenues | 3,635,996 | 3,635,996 | 3,820,201 | 184,205 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Technology management services | 3,193,969 | 3,198,604 | 3,093,261 | 105,343 |
| Capital outlay | 557,500 | 805,800 | 166,133 | 639,667 |
| Total expenditures | 3,751,469 | 4,004,404 | 3,259,394 | 745,010 |
| Excess (deficiency) of revenues over (under) expenditures | (115,473) | (368,408) | 560,807 | 929,215 |
| Funds available for appropriation - January 1 | 248,282 | 726,371 | 726,371 | - |
| Funds available for appropriation - December 31 | $ 132,809 | $ 357,963 | 1,287,178 | $ 929,215 |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | 1,002,753 | |
| Net position - December 31 | | | $ 2,289,931 | |
| Funds available at December 31 is computed as follows: | | | | |
| Current assets | | | $ 1,648,710 | |
| Current liabilities | | | (361,532) | |
| Funds available - December 31 | | | $ 1,287,178 | |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis
## Facility Services Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ 862,700 | $ 862,700 | $ 943,725 | $ 81,025 |
| Net investment earnings | - | - | 555 | 555 |
| Miscellaneous | - | - | 199 | 199 |
| Total revenues | 862,700 | 862,700 | 944,479 | 81,779 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Facility Services | 862,860 | 874,950 | 984,492 | (109,542) |
| Total expenditures | 862,860 | 874,950 | 984,492 | (109,542) |
| Excess (deficiency) of revenues over (under) expenditures | (160) | (12,250) | (40,013) | (27,763) |
| Funds available for appropriation - January 1 | (25,966) | 81,696 | 81,696 | - |
| Funds available for appropriation - December 31 | $ (26,126) | $ 69,446 | 41,683 | $ (27,763) |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | - | |
| Net position - December 31 | | | $ 41,683 | |
| Funds available at December 31, is computed as follows: | | | | |
| Current assets | | | $ 129,257 | |
| Current liabilities | | | (87,574) | |
| Funds available - December 31 | | | $ 41,683 | |

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis
## Health Benefits Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ 2,709,500 | $ 2,709,500 | $ 2,591,573 | $ (117,927) |
| Net investment earnings | 1,900 | 1,900 | 2,957 | 1,057 |
| Gain on sale of disposal of asset | - | - | - | - |
| Miscellaneous | - | - | 2,500 | 2,500 |
| Total revenues | 2,711,400 | 2,711,400 | 2,597,030 | (114,370) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Health benefits | 2,044,200 | 2,044,200 | 2,561,733 | (517,533) |
| Excess (deficiency) of revenues over (under) expenditures | 667,200 | 667,200 | 35,297 | (631,903) |
| Funds available for appropriation - January 1 | - | - | 465,762 | 465,762 |
| Funds available for appropriation - December 31 | $ 667,200 | $ 667,200 | 501,059 | $ (166,141) |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | - | |
| Net position - December 31 | | | $ 501,059 | |
| Funds available at December 31, is computed as follows: | | | | |
| Current assets | | | $ 557,411 | |
| Current liabilities | | | (56,352) | |
| Funds available - December 31 | | | $ 501,059 | |

# ENTERPRISE FUND

Enterprise funds account for activities that are operated in a manner similar to private business, where costs are predominantly supported by user charges or where management has decided periodic determination of revenues, expenses and / or changes in net position are appropriate.

**Stormwater Utility Fund** - Accounts for the systems and operations used in providing storm drain activities.

## TOWN OF PARKER, COLORADO
## Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis
## Stormwater Utility Fund
## For the Year Ended December 31, 2016

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 2,070,700 | $ 2,070,700 | $ 2,044,941 | $ (25,759) |
| Net investment earnings | 11,400 | 11,400 | 24,378 | 12,978 |
| Contributions | - | - | 308,151 | 308,151 |
| Miscellaneous | - | - | 6,523 | 6,523 |
| Total revenues | 2,082,100 | 2,082,100 | 2,383,993 | 301,893 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Storm drainage | 1,299,384 | 1,270,191 | 1,068,753 | 201,438 |
| Capital outlay | 490,000 | 752,485 | 311,078 | 441,407 |
| Total expenditures | 1,789,384 | 2,022,676 | 1,379,831 | 642,845 |
| **OTHER FINANCING USES** | | | | |
| Transfers out | (185,491) | (185,491) | (185,520) | (29) |
| Excess (deficiency) of revenues over (under) expenditures | 107,225 | (126,067) | 818,642 | (944,709) |
| Funds available for appropriation - January 1 | 5,046,631 | 2,891,189 | 2,891,189 | - |
| Funds available for appropriation - December 31 | $ 5,153,856 | $ 2,765,122 | 3,709,831 | $ (944,709) |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | 9,287,251 | |
| Net position - December 31 | | | $ 12,997,082 | |
| Funds available at December 31 is computed as follows: | | | | |
| Current assets | | | $ 4,210,525 | |
| Current liabilities | | | (500,694) | |
| Funds available - December 31 | | | $ 3,709,831 | |

# AGENCY FUND

Agency funds are fiduciary funds that are used to account for assets held by the Town in a purely custodial capacity (assets equal liabilities).

**Security Escrow Fund** – Accounts for cash deposits made by developers to secure public improvements to be constructed pursuant to Subdivision Improvement Agreements.

## TOWN OF PARKER, COLORADO
## Agency Fund
## Statement of Changes in Fiduciary Assets and Liabilities
## For the Year Ended December 31, 2016

| | Balance January 1 | Additions | Deductions | Balance December 31 |
|---|---|---|---|---|
| **SECURITY ESCROW FUND** | | | | |
| **ASSETS** | | | | |
| Equity in pooled cash and investments | $ 2,807,626 | $ 505,013 | $ (1,141,422) | $ 2,171,217 |
| **LIABILITIES** | | | | |
| Security escrows | $ 2,807,626 | $ 1,945,764 | $ (2,582,173) | $ 2,171,217 |
| Total liabilities | $ 2,807,626 | $ 1,945,764 | $ (2,582,173) | $ 2,171,217 |

# OTHER SCHEDULES

**Local Highway Finance Report** – This report is required for all local governments that received highway user tax monies from the State of Colorado.

PARKER
COLORADO

Financial Planning 02/01
Form # 350-050-36

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

| LOCAL HIGHWAY FINANCE REPORT | | Town : Parker Colorado |
|---|---|---|
| | | YEAR ENDING : December 2016 |
| This Information From The Records Of : Town of Parker | Prepared By: Phone: | Rhonda Willey 303-805-3227 |

## 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

| ITEM | AMOUNT |
|---|---|
| **A. Receipts from local sources:** | |
| 1. Local highway-user taxes | |
| a. Motor Fuel (from Item I.A.5.) | |
| b. Motor Vehicle (from Item I.B.5.) | |
| c. Total (a.+b.) | |
| 2. General fund appropriations | |
| 3. Other local imposts (from page 2) | 13,827,164 |
| 4. Miscellaneous local receipts (from page 2) | 350,323 |
| 5. Transfers from toll facilities | |
| 6. Proceeds of sale of bonds and notes: | |
| a. Bonds - Original Issues | 0 |
| b. Bonds - Refunding Issues | |
| c. Notes | |
| d. Total (a. + b. + c.) | 0 |
| 7. Total (1 through 6) | 14,177,487 |
| **B. Private Contributions** | 4,323,852 |
| **C. Receipts from State government** (from page 2) | 1,574,504 |
| **D. Receipts from Federal Government** (from page 2) | 0 |
| **E. Total receipts (A.7 + B + C + D)** | 20,075,843 |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|---|
| **A. Local highway disbursements:** | |
| 1. Capital outlay (from page 2) | 18,676,928 |
| 2. Maintenance: | 2,768,730 |
| 3. Road and street services: | |
| a. Traffic control operations | 1,352,366 |
| b. Snow and ice removal | 378,917 |
| c. Other | 209,501 |
| d. Total (a. through c.) | 1,940,784 |
| 4. General administration & miscellaneous | 217,772 |
| 5. Highway law enforcement and safety | |
| 6. Total (1 through 5) | 23,604,214 |
| **B. Debt service on local obligations:** | |
| 1. Bonds: | |
| a. Interest | 462,895 |
| b. Redemption | 478,500 |
| c. Total (a. + b.) | 941,395 |
| 2. Notes: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b.) | 0 |
| 3. Total (1.c + 2.c) | 941,395 |
| **C. Payments to State for highways** | |
| **D. Payments to toll facilities** | |
| **E. Total disbursements (A.6 + B.3 + C + D)** | 24,545,609 |

## IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|---|---|---|---|---|
| **A. Bonds (Total)** | | | | 0 |
| 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 |
|---|---|---|---|---|
| 15,084,567 | 20,075,843 | 24,545,609 | 10,614,801 | 0 |

**Notes and Comments:**

PREVIOUS EDITIONS OBSOLETE

| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
|---|---|
| | YEAR ENDING (mm/yy): December 2016 |

## 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 | 1,416,787 | a. Interest on investments | 116,130 |
| b. Other local imposts: | | b. Traffic Fines & Penalities | |
| 1. Sales Taxes | 9,528,215 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | | f. Charges for Services | 234,193 |
| 5. Specific Ownership &/or Other | 2,882,162 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 12,410,377 | h. Other | |
| c. Total (a. + b.) | 13,827,164 | i. Total (a. through h.) | 350,323 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|---|---|---|
| **C. Receipts from State Government** | | **D. Receipts from Federal Government** | |
| 1. Highway-user taxes | 1,410,916 | 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 | 163,588 | d. Federal Transit Admin | |
| d. Other (Specify) | | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (a. through e.) | 163,588 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 1,574,504 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|---|---|---|---|
| **A.1. Capital outlay:** | | | |
| a. Right-Of-Way Costs | | 19,420 | 19,420 |
| b. Engineering Costs | | 1,945,423 | 1,945,423 |
| c. Construction: | | | |
| (1). New Facilities | | 254,691 | 254,691 |
| (2). Capacity Improvements | | 9,958,534 | 9,958,534 |
| (3). System Preservation | | 4,118,765 | 4,118,765 |
| (4). System Enhancement & Operation | | 2,380,095 | 2,380,095 |
| (5). Total Construction (1) + (2) + (3) + (4) | 0 | 16,712,085 | 16,712,085 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0 | 18,676,928 | 18,676,928 |
| | | | (Carry forward to page 1) |

**Notes and Comments:**

**FORM FHWA-536 (Rev.1-05)** PREVIOUS EDITIONS OBSOLETE

# STATISTICAL SECTION

PARKER
COLORADO

# STATISTICAL SECTION

This part of the Town of Parker's Comprehensive Annual Financial Report gives detailed information to help readers better understand what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

**Contents** **Page**

PARKER
COLORADO

**TOWN OF PARKER, COLORADO**
**Table 1**
**Government-wide**
**Net Position**
**(Accrual basis of Accounting)**
**Last Ten Years**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | | | | | | | | | |
| Net investment in captial assets | $220,507,338 | $243,782,175 | $500,344,050 | $509,013,226 | $504,104,093 | $503,835,736 | $500,377,927 | $520,379,154 | $541,402,220 | $579,626,708 |
| Restricted | 7,480,370 | 7,815,570 | 11,776,398 | 10,397,629 | 13,814,074 | 16,244,608 | 23,027,041 | 29,318,899 | 30,504,441 | 27,076,307 |
| Unrestricted | 42,076,854 | 25,479,434 | 18,027,138 | 20,731,912 | 27,702,282 | 28,342,704 | 26,597,577 | 27,942,722 | 29,945,160 | 24,139,524 |
| Total governmental activities net position | 270,064,562 | 277,077,179 | 530,147,586 | 540,142,767 | 545,620,449 | 548,423,048 | 550,002,545 | 577,640,775 | 601,851,821 | 630,842,539 |
| **BUSINESS-TYPE ACTIVITIES** | | | | | | | | | | |
| Net investment in captial assets | 3,647,848 | 4,160,345 | 4,450,927 | 4,801,767 | 5,896,615 | 7,720,729 | 8,102,532 | 8,554,595 | 9,179,752 | 9,287,251 |
| Restricted | 298,792 | 298,792 | 306,492 | 306,492 | 306,492 | 306,492 | 328,492 | 306,492 | 447,417 | 532,851 |
| Unrestricted | 608,500 | 547,619 | 736,079 | 918,175 | 1,134,774 | 1,270,848 | 1,569,667 | 2,088,124 | 2,443,772 | 3,176,980 |
| Total business-type activities net position | 4,555,140 | 5,006,756 | 5,493,498 | 6,026,434 | 7,337,881 | 9,298,069 | 10,000,691 | 10,949,211 | 12,070,941 | 12,997,082 |
| **PRIMARY GOVERNMENT** | | | | | | | | | | |
| Net investment in captial assets | 224,155,186 | 247,942,520 | 504,794,977 | 513,814,993 | 510,000,708 | 511,556,465 | 508,480,459 | 528,933,749 | 550,581,972 | 588,913,959 |
| Restricted | 7,779,162 | 8,114,362 | 12,082,890 | 10,704,121 | 14,120,566 | 16,551,100 | 23,355,533 | 29,625,391 | 30,951,858 | 27,609,158 |
| Unrestricted | 42,685,354 | 26,027,053 | 18,763,217 | 21,650,087 | 28,837,056 | 29,613,552 | 28,167,244 | 30,030,846 | 32,388,932 | 27,316,504 |
| Total primary government net position | $274,619,702 | $282,083,935 | $535,641,084 | $546,169,201 | $552,958,330 | $557,721,117 | $560,003,236 | $588,589,986 | $613,922,762 | $643,839,621 |

# TOWN OF PARKER, COLORADO
## Table 2
## Government-wide
## Changes in Net Position
## (Accrual basis of Accounting)
## Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **EXPENSES** | | | | | | | | | | |
| **Governmental activities** | | | | | | | | | | |
| General government | $ 6,567,500 | $ 7,411,394 | $ 8,026,753 | $ 6,902,160 | $ 6,944,126 | $ 7,482,851 | $ 7,360,189 | $ 6,809,852 | $ 7,808,349 | $ 7,883,833 |
| Public Safety | 8,950,238 | 9,674,844 | 9,444,213 | 10,061,401 | 11,471,942 | 12,256,800 | 12,627,487 | 14,711,684 | 14,828,040 | 17,299,104 |
| Highways and streets | 14,275,129 | 14,106,511 | 16,398,865 | 18,761,577 | 19,189,813 | 16,985,576 | 18,086,167 | 21,698,854 | 23,468,870 | 24,484,988 |
| Economic development | 1,262,978 | 1,841,975 | 2,969,943 | 3,016,342 | 3,313,564 | 3,593,093 | 2,793,641 | 1,397,949 | 1,759,381 | 2,710,275 |
| Culture and recreation | 7,552,204 | 8,376,520 | 8,388,813 | 8,941,387 | 10,775,711 | 12,098,279 | 13,372,138 | 14,162,538 | 15,671,430 | 18,146,809 |
| Interest on long-term debt | 1,041,229 | 929,437 | 1,343,600 | 3,332,577 | 3,085,295 | 3,121,137 | 3,064,035 | 3,507,958 | 3,561,896 | 3,280,077 |
| Total governmental activities | 39,649,278 | 42,340,681 | 46,572,187 | 51,015,444 | 54,780,450 | 55,537,736 | 57,303,657 | 62,288,835 | 67,097,966 | 73,805,086 |
| **Business-type activities** | | | | | | | | | | |
| Stormwater | 916,004 | 1,004,615 | 1,067,780 | 1,054,138 | 1,161,176 | 1,168,038 | 1,229,667 | 1,251,752 | 1,506,469 | 1,272,332 |
| Total business-type activities | 916,004 | 1,004,615 | 1,067,780 | 1,054,138 | 1,161,176 | 1,168,038 | 1,229,667 | 1,251,752 | 1,506,469 | 1,272,332 |
| Total primary government expenses | 40,565,282 | 43,345,296 | 47,639,967 | 52,069,582 | 55,941,626 | 56,705,774 | 58,533,324 | 63,540,587 | 68,604,435 | 75,077,418 |
| **PROGRAM REVENUES** | | | | | | | | | | |
| **Governmental activities** | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 2,247,540 | 1,539,939 | 1,162,546 | 1,160,093 | 1,265,096 | 1,785,865 | 1,662,328 | 1,896,754 | 1,739,854 | 2,035,526 |
| Public Safety | 1,190,406 | 1,087,098 | 1,087,175 | 933,082 | 1,644,582 | 2,744,541 | 2,258,982 | 2,370,645 | 2,382,837 | 2,585,946 |
| Highways and streets | 423,393 | 372,616 | 271,425 | 267,836 | 181,631 | 238,825 | 258,392 | 255,575 | 267,423 | 371,664 |
| Culture and recreation | 2,846,187 | 3,434,862 | 3,806,322 | 3,949,712 | 4,242,299 | 5,229,698 | 5,617,513 | 6,131,830 | 6,468,303 | 7,752,464 |
| Operating grants and contributions | 211,608 | 249,072 | 3,561,585 | 424,223 | 447,045 | 623,401 | 681,578 | 1,286,208 | 1,316,066 | 1,346,955 |
| Capital grants and contributions | 1,211,269 | 6,964,704 | 26,391,843 | 18,569,656 | 15,435,210 | 5,937,163 | 3,967,083 | 28,329,345 | 25,001,874 | 32,430,951 |
| Total governmental activities | 8,130,403 | 13,648,291 | 36,280,896 | 25,304,602 | 23,215,863 | 16,559,493 | 14,445,876 | 40,270,357 | 37,176,357 | 46,523,506 |
| **Business-type activities** | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Stormwater utilities | 1,263,614 | 1,302,949 | 1,546,672 | 1,581,760 | 1,799,975 | 1,623,624 | 1,853,095 | 1,865,036 | 1,987,122 | 2,051,464 |
| Capital grants and contributions | 121,588 | 125,000 | - | - | 665,466 | 1,499,369 | 117,076 | 375,000 | 816,861 | 308,151 |
| Total business-type activities net position | 1,385,202 | 1,427,949 | 1,546,672 | 1,581,760 | 2,465,441 | 3,122,993 | 1,970,171 | 2,240,036 | 2,803,983 | 2,359,615 |
| Total primary government program revenues | 9,515,605 | 15,076,240 | 37,827,568 | 26,886,362 | 25,681,304 | 19,682,486 | 16,416,047 | 42,510,393 | 39,980,340 | 48,883,121 |

(continued)

## TOWN OF PARKER, COLORADO
### Table 2
### Government-wide
### Changes in Net Position
### (Accrual basis of Accounting)
### Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **NET REVENUE (EXPENSE)** | | | | | | | | | | |
| Governmental activities | (31,518,875) | (28,692,390) | (10,291,291) | (25,710,842) | (32,457,406) | (39,871,061) | (42,857,781) | (22,018,478) | (29,921,609) | (27,281,580) |
| Business-type activities | 469,198 | 423,334 | 478,892 | 527,622 | 1,304,265 | 1,954,955 | 740,504 | 988,284 | 875,653 | 1,087,283 |
| Total primary government | (31,049,677) | (28,269,056) | (9,812,399) | (25,183,220) | (31,153,141) | (37,916,106) | (42,117,277) | (21,030,194) | (29,045,956) | (26,194,297) |
| **GENERAL REVENUES** | | | | | | | | | | |
| **Governmental activities** | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Sales and use | 25,466,568 | 25,524,424 | 25,757,020 | 26,258,358 | 27,682,440 | 31,544,854 | 33,564,104 | 37,202,194 | 39,469,983 | 42,280,470 |
| Sales and use shareback | 2,577,449 | 2,472,724 | 2,436,556 | 2,414,311 | 1,956,670 | 2,264,021 | 2,363,634 | 2,571,241 | 2,766,212 | 2,826,421 |
| Property | 1,409,480 | 1,571,870 | 1,624,673 | 1,646,471 | 1,644,026 | 1,538,460 | 1,552,808 | 1,584,849 | 1,590,673 | 1,873,217 |
| Road and bridge property shareback | 1,089,080 | 1,233,646 | 1,290,567 | 1,327,822 | 1,315,059 | 1,205,315 | 1,223,658 | 1,231,030 | 1,238,675 | 1,416,787 |
| Excise - new development | 1,122,256 | 651,961 | 244,613 | 492,641 | 848,135 | 1,715,587 | 1,446,864 | 2,655,816 | 2,064,824 | 2,798,039 |
| Franchise | 765,639 | 868,968 | 810,410 | 810,749 | 792,431 | 768,219 | 841,671 | 905,961 | 921,013 | 958,966 |
| Excise - electric | 650,477 | 709,689 | 663,603 | 837,415 | 881,280 | 948,387 | 1,032,692 | 1,033,396 | 1,075,865 | 1,109,342 |
| Highway users | 943,220 | 939,430 | 1,035,572 | 1,198,340 | 1,240,219 | 1,271,073 | 1,291,998 | 1,330,821 | 1,384,719 | 1,410,917 |
| Other | 359,847 | 364,793 | 533,810 | 481,488 | 474,561 | 605,115 | 724,293 | 873,905 | 837,139 | 900,536 |
| Unrestricted investment earnings | 2,789,183 | 1,367,502 | 291,407 | 238,428 | 207,450 | 128,753 | 57,196 | 165,731 | 186,084 | 390,806 |
| Gain on disposal of property | - | - | - | - | - | - | 210,196 | 50,343 | 85,506 | 121,277 |
| Transfers | - | - | - | - | - | - | 68,164 | 51,421 | 185,455 | 185,520 |
| Total governmental activities | 37,173,199 | 35,705,007 | 34,688,231 | 35,706,023 | 37,042,271 | 41,989,784 | 44,377,278 | 49,656,708 | 51,806,148 | 56,272,298 |
| **Business-type activities** | | | | | | | | | | |
| Unrestricted investment earnings | 49,250 | 28,282 | 7,850 | 5,314 | 7,182 | 5,233 | 3,004 | 11,657 | 9,671 | 24,378 |
| Contributions | - | - | - | - | - | - | 22,000 | - | - | - |
| Gain on disposal of property | - | - | - | - | - | - | 5,278 | - | - | - |
| Transfers | - | - | - | - | - | - | (68,164) | (51,421) | (185,455) | (185,520) |
| Total business-type activities | 49,250 | 28,282 | 7,850 | 5,314 | 7,182 | 5,233 | (37,882) | (39,764) | (175,784) | (161,142) |
| **CHANGES IN NET POSITION** | | | | | | | | | | |
| Governmental activities | 5,654,324 | 7,012,617 | 24,396,940 | 9,995,181 | 5,477,684 | 2,118,723 | 1,519,497 | 27,638,230 | 21,884,539 | 28,990,718 |
| Business-type activities | 518,448 | 451,616 | 486,742 | 532,936 | 1,311,447 | 1,960,188 | 702,622 | 948,520 | 1,121,730 | 926,141 |
| Total primary government | $ 6,172,772 | $ 7,464,233 | $24,883,682 | $10,528,117 | $ 6,789,131 | $ 4,078,911 | $ 2,222,119 | $28,586,750 | $23,006,269 | $29,916,859 |

(concluded)

**TOWN OF PARKER, COLORADO**
**Table 3**
**Governmental Funds**
**Fund Balances**
**(Modified Accrual Basis of Accounting)**
**Last Ten Years**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GENERAL FUND** | | | | | | | | | | |
| Nonspendable | $ - | $ - | $ - | $ - | $ 119,063 | $ 151,265 | $ 261,426 | $ 318,111 | $ 44,718 | $ 76,740 |
| Restricted | - | - | - | - | 5,194,016 | 5,354,756 | 5,389,861 | 5,552,094 | 5,541,125 | 5,817,069 |
| Assigned | - | - | - | - | 3,805,900 | 3,916,400 | 3,558,911 | 8,786,164 | 9,507,005 | 7,565,660 |
| Unassigned | - | - | - | - | 13,677,803 | 14,554,422 | 12,496,031 | 10,685,656 | 8,009,300 | 7,452,185 |
| Reserved | 2,141,960 | 2,563,009 | 7,594,958 | 5,448,620 | - | - | - | - | - | - |
| Unreserved | 15,480,584 | 15,362,740 | 15,942,148 | 16,927,772 | - | - | - | - | - | - |
| Total general fund | 17,622,544 | 17,925,749 | 23,537,106 | 22,376,392 | 22,796,782 | 23,976,843 | 21,706,229 | 25,342,025 | 23,102,148 | 20,911,654 |
| **ALL OTHER GOVERNMENTAL FUNDS** | | | | | | | | | | |
| Nonspendable | - | - | - | - | 1,787 | 20,844 | 61,087 | 185,781 | 81,162 | 147,447 |
| Restricted | - | - | - | - | 9,056,847 | 10,889,852 | 18,145,409 | 27,808,739 | 23,754,974 | 19,896,460 |
| Assigned | - | - | - | - | 11,698,480 | 11,412,243 | 11,394,563 | 9,229,681 | 12,404,934 | 9,362,147 |
| Unassigned | - | - | - | - | - | (124) | - | (280,669) | (64,666) | - |
| Reserved | 6,183,820 | 6,429,786 | 5,140,674 | 5,193,239 | - | - | - | - | - | - |
| Unreserved | 26,708,923 | 10,845,823 | 45,934,115 | 23,465,168 | - | - | - | - | - | - |
| Total all other governmental funds | 32,892,743 | 17,275,609 | 51,074,789 | 28,658,407 | 20,757,114 | 22,322,815 | 29,601,059 | 36,943,532 | 36,176,404 | 29,406,054 |
| Total governmental funds | $50,515,287 | $35,201,358 | $74,611,895 | $51,034,799 | $43,553,896 | $ 46,299,658 | $ 51,307,288 | $ 62,285,557 | $ 59,278,552 | $ 50,317,708 |

Notes:

- The Town of Parker implemented GASB 54 for the year ended December 31, 2011. GASB 54 required a new way of reporting the components of fund balance that will focus on the extent to which the Town is bound to honor constraints on the specific purposes for which the amounts in fund balance can be spent. Prior to 2011, fund balance was reported with a focus on the extent to which financial resources are available for appropriation.

**TOWN OF PARKER, COLORADO**
**Table 4**
**Governmental Funds**
**Changes in Fund Balances**
**(Modified Accrual Basis of Accounting)**
**Last Ten Years**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Sales and use | $25,466,568 | $ 25,524,424 | $ 25,757,020 | $ 26,258,358 | $ 27,682,440 | $ 31,544,854 | $ 33,564,104 | $ 37,202,194 | $ 39,469,983 | $ 42,280,470 |
| Excise - new development | 1,122,256 | 651,961 | 244,613 | 492,641 | 848,135 | 1,715,587 | 1,446,864 | 2,655,816 | 2,064,824 | 2,798,039 |
| Other | 2,931,421 | 3,254,554 | 3,184,960 | 3,394,318 | 3,419,485 | 3,354,214 | 3,532,832 | 3,670,706 | 3,747,204 | 4,107,324 |
| License and permits | 1,246,427 | 896,596 | 1,093,295 | 799,627 | 925,714 | 2,141,881 | 1,537,271 | 1,833,383 | 1,650,645 | 1,828,083 |
| Intergovernmental | 5,345,903 | 5,422,751 | 8,915,641 | 6,063,146 | 5,500,864 | 6,722,266 | 7,546,399 | 8,257,226 | 11,199,682 | 9,117,780 |
| Charges for services | 4,950,866 | 5,007,415 | 4,689,265 | 5,040,283 | 5,989,259 | 7,348,930 | 7,893,156 | 8,432,728 | 8,752,358 | 10,199,073 |
| Fines and forfeitures | 220,449 | 217,749 | 265,454 | 267,467 | 324,724 | 264,020 | 255,476 | 265,028 | 280,844 | 309,359 |
| Contributions | 940,742 | 1,785,184 | 3,682,788 | 1,024,365 | 1,398,752 | 708,839 | 222,933 | 3,763,471 | 3,225,342 | 4,678,150 |
| Net investment earnings | 2,786,380 | 1,366,581 | 290,986 | 238,044 | 206,913 | 127,886 | 56,315 | 165,227 | 183,151 | 380,684 |
| Miscellaneous | 295,774 | 146,347 | 281,867 | 203,346 | 265,388 | 341,041 | 165,790 | 148,563 | 176,243 | 362,843 |
| Total revenues | 45,306,786 | 44,273,562 | 48,405,889 | 43,781,595 | 46,561,674 | 54,269,518 | 56,221,140 | 66,394,342 | 70,750,276 | 76,061,805 |
| **EXPENDITURES** | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | 6,129,522 | 6,791,643 | 7,492,409 | 6,468,708 | 6,572,669 | 7,811,959 | 7,516,436 | 6,959,820 | 7,059,394 | 8,160,682 |
| Public safety | 8,351,491 | 9,081,709 | 8,894,150 | 9,193,875 | 9,882,527 | 11,232,977 | 11,715,663 | 13,275,289 | 14,008,600 | 16,329,288 |
| Highways and streets | 5,619,406 | 5,024,821 | 6,158,863 | 7,436,524 | 7,371,099 | 5,233,772 | 6,605,289 | 10,022,553 | 10,961,773 | 12,030,625 |
| Economic development | 1,262,978 | 1,841,975 | 2,969,943 | 3,016,342 | 3,313,564 | 3,593,093 | 2,793,641 | 1,397,949 | 1,759,381 | 2,710,275 |
| Culture and recreation | 6,460,690 | 6,942,678 | 6,820,653 | 7,323,106 | 8,719,564 | 9,775,301 | 11,076,229 | 11,863,793 | 13,268,624 | 15,433,724 |
| Building | - | - | - | - | - | - | - | 137,972 | 354,684 | 21,679 |
| Debt Service | | | | | | | | | | |
| Principal | 2,335,000 | 2,430,000 | 3,425,000 | 2,680,000 | 2,050,000 | 1,880,000 | 1,930,000 | 1,975,000 | 2,765,000 | 2,935,000 |
| Interest | 1,063,001 | 951,068 | 840,983 | 3,324,136 | 3,216,048 | 3,148,723 | 3,091,892 | 3,428,097 | 3,650,044 | 3,331,938 |
| Fiscal charges | 6,876 | 3,760 | 2,292 | 2,157 | 1,150 | 1,150 | 1,150 | 650 | 72,362 | 2,500 |
| Capital outlay | 20,926,911 | 26,519,837 | 16,908,159 | 28,616,852 | 13,808,775 | 9,739,601 | 6,958,392 | 26,612,624 | 20,067,312 | 24,321,608 |
| Total expenditures | 52,155,875 | 59,587,491 | 53,512,452 | 68,061,700 | 54,935,395 | 52,416,576 | 51,688,692 | 75,673,747 | 73,967,174 | 85,277,319 |

(continued)

**TOWN OF PARKER, COLORADO**
**Table 4**
**Governmental Funds**
**Changes in Fund Balances**
**(Modified Accrual Basis of Accounting)**
**Last Ten Years**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Excess of revenues over (under) expenditures | (6,849,089) | (15,313,929) | (5,106,563) | (24,280,105) | (8,373,721) | 1,852,942 | 4,532,448 | (9,279,405) | (3,216,898) | (9,215,514) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | | | |
| Transfers in | 12,902,798 | 9,052,843 | 12,105,733 | 4,523,184 | 5,297,975 | 6,470,751 | 5,409,859 | 5,639,137 | 18,413,380 | 9,432,793 |
| Transfers out | (12,902,798) | (9,052,843) | (12,105,733) | (4,523,184) | (5,297,975) | (6,470,751) | (5,409,859) | (5,587,716) | (18,212,925) | (9,247,273) |
| Proceeds from sale of capital assets | - | - | - | - | - | - | 410,664 | - | - | 4,960 |
| Insurance recoveries | - | - | - | - | - | - | 4,518 | 1,278 | 9,438 | 64,190 |
| Payment to excrow agent | - | - | - | - | - | - | - | - | (9,880,000) | - |
| Bond issuance | - | - | 44,341,016 | - | - | - | - | 20,204,976 | 9,880,000 | - |
| Total other financing sources (uses) | - | - | 44,341,016 | - | - | - | 415,182 | 20,257,675 | 209,893 | 254,670 |
| **NET CHANGE IN FUND BALANCE** | $ (6,849,089) | $(15,313,929) | $ 39,234,453 | $(24,280,105) | $ (8,373,721) | $ 1,852,942 | $ 4,947,630 | $ 10,978,270 | $ (3,007,005) | $ (8,960,844) |
| Debt service as a percentage of noncapital expenditures | 10.9% | 10.2% | 11.7% | 15.2% | 12.8% | 11.8% | 11.2% | 11.0% | 12.0% | 10.3% |

(concluded)

## TOWN OF PARKER, COLORADO
## Table 5
## Governmental Revenues by Source
## Last Ten Years

| Revenue Source | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Taxes | | | | | | | | | | |
| Sales and use | $25,466,568 | $25,524,424 | $25,757,020 | $26,258,358 | $27,682,440 | $31,544,854 | $ 33,564,104 | $ 37,202,194 | $ 39,469,983 | $ 42,280,470 |
| Excise - new development | 1,122,256 | 651,961 | 244,613 | 492,641 | 848,135 | 1,715,587 | 1,446,864 | 2,655,816 | 2,064,824 | 2,798,039 |
| Property | 1,409,480 | 1,571,870 | 1,624,673 | 1,646,471 | 1,644,026 | 1,538,460 | 1,552,808 | 1,584,849 | 1,590,673 | 1,873,217 |
| Other | 1,521,941 | 1,682,684 | 1,560,287 | 1,747,847 | 1,775,459 | 1,815,754 | 1,980,024 | 2,085,857 | 2,156,531 | 2,234,107 |
| Licenses and permits | 1,246,427 | 896,596 | 1,093,295 | 799,627 | 925,714 | 2,141,881 | 1,537,271 | 1,833,383 | 1,650,645 | 1,828,083 |
| Intergovenmental | 5,345,903 | 5,422,751 | 8,915,641 | 6,063,146 | 5,500,864 | 6,722,266 | 7,546,399 | 8,257,226 | 11,199,682 | 9,117,780 |
| Charges for services | 4,950,866 | 5,007,415 | 4,689,265 | 5,040,283 | 5,989,259 | 7,348,930 | 7,893,156 | 8,432,728 | 8,752,358 | 10,199,073 |
| Fines and forfeitures | 220,449 | 217,749 | 265,454 | 267,467 | 324,724 | 264,020 | 255,476 | 265,028 | 280,844 | 309,359 |
| Contributions | 940,742 | 1,785,184 | 3,682,788 | 1,024,365 | 1,398,752 | 708,839 | 222,933 | 3,763,471 | 3,225,342 | 4,678,150 |
| Investment earnings | 2,786,380 | 1,366,581 | 290,986 | 238,044 | 206,913 | 127,886 | 56,315 | 165,227 | 183,151 | 380,684 |
| Miscellaneous | 295,774 | 146,347 | 281,867 | 203,346 | 265,388 | 341,041 | 165,790 | 148,563 | 176,243 | 362,843 |
| Total revenues | $45,306,786 | $44,273,562 | $48,405,889 | $43,781,595 | $46,561,674 | $54,269,518 | $ 56,221,140 | $ 66,394,342 | $ 70,750,276 | $ 76,061,805 |

# TOWN OF PARKER, COLORADO
## Table 6
## Direct and Overlapping Sales Tax Rates
## Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **DIRECT RATE** | | | | | | | | | | |
| Town of Parker | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| **OVERLAPPING RATES** | | | | | | | | | | |
| Douglas County | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| State of Colorado | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% |
| Regional Transportation District (RTD) | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| Scientific and Cultural Facilities District (SCFD) | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Football Stadium District | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total sales tax rate | 8.1% | 8.1% | 8.1% | 8.1% | 8.1% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |

**TOWN OF PARKER, COLORADO**
**Table 7**
**Sales and Use Tax Revenue by Type of Industry**
**Last Ten Years**

| TYPE OF INDUSTRY | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Food and general merchandise | $ 8,234,423 | $ 8,762,041 | $ 10,449,752 | $ 11,231,486 | $ 11,932,701 | $ 12,512,102 | $13,326,487 | $14,079,531 | $14,828,671 | $15,887,495 |
| Autos/automotive | 3,322,662 | 2,942,551 | 2,673,600 | 2,741,913 | 3,253,937 | 3,381,076 | 3,767,623 | 4,251,946 | 4,703,968 | 4,895,696 |
| Restaurants | 2,581,898 | 2,594,263 | 2,724,477 | 2,779,452 | 2,817,692 | 3,203,384 | 3,400,109 | 3,706,758 | 4,036,686 | 4,113,937 |
| Home and garden | 2,027,763 | 1,839,393 | 1,696,579 | 1,733,165 | 1,997,852 | 2,279,132 | 2,565,017 | 2,742,637 | 3,105,588 | 3,377,818 |
| Specialty retail | - | - | - | - | 2,879,283 | 3,788,793 | 4,085,299 | 4,311,707 | 4,819,323 | 5,270,252 |
| Apparel and accessories | 374,439 | 762,393 | 717,944 | 233,498 | - | - | - | - | - | - |
| Furniture and décor | 706,363 | 657,220 | 594,031 | 564,651 | - | - | - | - | - | - |
| Miscellaneous retail | 2,616,371 | 3,003,790 | 2,582,194 | 2,648,418 | - | - | - | - | - | - |
| Utilities/telecommunications | 1,859,631 | 1,962,665 | 1,812,909 | 1,992,578 | 2,002,397 | 2,084,132 | 2,192,448 | 2,343,891 | 2,352,573 | 2,479,723 |
| Other | 1,524,099 | 1,379,934 | 1,167,414 | 1,050,710 | 1,458,016 | 1,614,152 | 1,644,931 | 1,717,371 | 2,454,736 | 2,747,499 |
| Total sales taxes | 23,247,649 | 23,904,250 | 24,418,900 | 24,975,871 | 26,341,878 | 28,862,771 | 30,981,914 | 33,153,841 | 36,301,545 | 38,772,420 |
| Building use taxes | 2,218,919 | 1,620,174 | 1,338,120 | 1,282,487 | 1,340,562 | 2,682,083 | 2,582,190 | 4,048,353 | 3,168,438 | 3,508,050 |
| Total sales and use taxes | $25,466,568 | $ 25,524,424 | $ 25,757,020 | $ 26,258,358 | $ 27,682,440 | $ 31,544,854 | $33,564,104 | $37,202,194 | $39,469,983 | $42,280,470 |

Notes:

- Specialty retail includes for example, electronics, office supply, pet store, apparel and accessories, furniture and décor, and sporting goods. Prior to 2011, types of this nature were categorized separately as apparel and accessories and furniture and décor. Additionally, part of what was classified as miscellaneous retail in the prior years is now categorized in the specialty retail and other categories.

**TOWN OF PARKER, COLORADO**
**Table 8**
**Principal Sales and Use Tax Payers**
**Last Ten Years**

| TYPE OF INDUSTRY | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Aggregate top ten filers | $ 11,971,786 | $ 11,331,992 | $ 12,477,140 | $ 12,366,466 | $13,355,597 | $15,225,597 | $16,299,120 | $17,332,923 | $18,185,261 | $18,913,823 |
| Aggregate all other filers | 11,275,863 | 12,572,258 | 11,941,760 | 12,609,405 | 12,986,281 | 13,637,174 | 14,682,794 | 15,820,918 | 18,116,284 | 19,858,597 |
| Total sales taxes | 23,247,649 | 23,904,250 | 24,418,900 | 24,975,871 | 26,341,878 | 28,862,771 | 30,981,914 | 33,153,841 | 36,301,545 | 38,772,420 |
| Top ten filers as a percentage of total sales tax | 51.50% | 47.41% | 51.10% | 49.51% | 50.70% | 52.75% | 52.61% | 52.28% | 50.10% | 48.78% |

2015 Top ten filers in alphabetical order: Costco Wholesale #1022, Douglas County, Walmart Stores Inc, The Home Depot USA Inc, Dillon Companies Inc 214, Dillon Companies Inc 213, Target Corporation, Dillon Companies Inc 9546, Intermountain Rural Electric Association, Lowes HIW Inc

Source: Town of Parker Finance department

## TOWN OF PARKER, COLORADO
## Table 9
## Ratios of Outstanding Debt by Type
## Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | | | | | | | | | |
| Sales and use tax revenue bonds | $ 18,800,000 | $ 17,180,000 | $ 14,600,000 | $ 13,730,000 | $ 12,825,000 | $ 12,125,000 | $ 11,400,000 | $ 10,655,000 | $ 9,880,000 | $ 8,985,000 |
| Certificates of participation | 3,465,000 | 2,655,000 | 46,060,000 | 44,250,000 | 43,105,000 | 41,925,000 | 40,720,000 | 59,010,000 | 57,020,000 | 54,980,000 |
| Discount | - | - | - | - | - | - | - | (63,065) | (59,803) | (59,803) |
| Premium | - | - | - | - | - | - | - | 662,143 | 627,894 | 627,894 |
| Total governmental activities | 22,265,000 | 19,835,000 | 60,660,000 | 57,980,000 | 55,930,000 | 54,050,000 | 52,120,000 | 70,264,078 | 67,468,091 | 64,533,091 |
| Total primary government | $ 22,265,000 | $ 19,835,000 | $ 60,660,000 | $ 57,980,000 | $ 55,930,000 | $ 54,050,000 | $ 52,120,000 | $ 70,264,078 | $ 67,468,091 | $ 64,533,091 |
| Debt per capita | $ 492 | $ 438 | $ 1,340 | $ 1,280 | $ 1,222 | $ 1,152 | $ 1,090 | $ 1,428 | $ 1,320 | $ 1,265 |
| Debt as percentage of personal income | 1.11% | 0.96% | 2.85% | 2.67% | 2.35% | 1.53% | 1.38% | 1.72% | 1.52% | 1.29% |

See Table 15 Demographic and Economic Information for population and total personal income.

# TOWN OF PARKER, COLORADO
## Table 10
## Pledged Revenues Debt Service Coverage
## Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Pledged revenues** | | | | | | | | | | |
| Sales taxes (1) | $ 19,373,884 | $ 20,161,866 | $ 20,444,027 | $ 20,955,040 | $ 21,950,246 | $ 24,052,309 | $ 25,818,525 | $ 27,628,021 | $ 30,251,287 | $ 32,309,990 |
| Use taxes (2) | 1,848,729 | 1,108,449 | 1,020,162 | 926,956 | 1,117,877 | 2,234,997 | 2,209,197 | 3,459,942 | 2,686,658 | 2,983,632 |
| Total available revenues | 21,222,613 | 21,270,315 | 21,464,189 | 21,881,996 | 23,068,123 | 26,287,306 | 28,027,722 | 31,087,963 | 32,937,945 | 35,293,622 |
| **Annual debt service** | | | | | | | | | | |
| *Principal* | | | | | | | | | | |
| 1998 Sales and use tax bonds | 780,000 | 815,000 | 1,740,000 | - | - | - | - | - | - | - |
| 2006 Sales and use tax bonds (3) | 780,000 | 805,000 | 840,000 | 870,000 | 905,000 | 700,000 | 725,000 | 745,000 | 775,000 | - |
| 2015 Sales and use tax bonds | - | - | - | - | - | - | - | - | - | 895,000 |
| *Interest* | | | | | | | | | | |
| 1998 Sales and use tax bonds | 156,873 | 120,993 | 83,095 | - | - | - | - | - | - | - |
| 2006 Sales and use tax bonds | 727,275 | 683,750 | 646,825 | 612,625 | 577,125 | 544,150 | 513,869 | 481,700 | 449,438 | - |
| 2015 Sales and use tax bonds | - | - | - | - | - | - | - | - | - | 203,389 |
| Total debt service | 2,444,148 | 2,424,743 | 3,309,920 | 1,482,625 | 1,482,125 | 1,244,150 | 1,238,869 | 1,226,700 | 1,224,438 | 1,098,389 |
| Excess revenue coverage | $ 18,778,465 | $ 18,845,572 | $ 18,154,269 | $ 20,399,371 | $ 21,585,998 | $ 25,043,156 | $ 26,788,853 | $ 29,861,263 | $ 31,713,507 | $ 34,195,233 |
| Annual debt service coverage | 8.68 | 8.77 | 6.48 | 14.76 | 15.56 | 21.13 | 22.62 | 25.34 | 26.90 | 32.13 |
| **Maximum annual debt service** | | | | | | | | | | |
| 1998 Sales and use tax bonds | 935,993 | 933,095 | - | - | - | - | - | - | - | - |
| 2006 Sales and use tax bonds | 1,488,750 | 1,486,825 | 1,482,625 | 1,482,125 | 1,244,150 | 1,238,869 | 1,226,700 | 1,224,438 | 1,222,838 | - |
| 2015 Sales and use tax bonds | - | - | - | - | - | - | - | - | - | 1,098,341 |
| Combined maximum annual debt service | $ 2,424,743 | $ 2,419,920 | $ 1,482,625 | $ 1,482,125 | $ 1,244,150 | $ 1,238,869 | $ 1,226,700 | $ 1,224,438 | $ 1,222,838 | $ 1,098,341 |
| Maximum debt service coverage | 8.75 | 8.79 | 14.48 | 14.76 | 18.54 | 21.22 | 22.85 | 25.39 | 26.94 | 32.13 |

(1) Sales taxes pledged included only 2.5% of the Town's 3.0% sales tax rate. Pledged sales tax revenues are reported in the General Fund.

(2) Use taxes pledged are reported in the Public Improvement Fund.

(3) 2006 Sales and use tax bonds were defeased with proceeds from the 2015 refunding issue.

**TOWN OF PARKER, COLORADO**
**Table 11**
**Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds**

| GOVERNMENTAL ENTITY | Total Gross Bonded Debt Outstanding | Percentage Applicable to Town (a) | Amount Applicable to Town |
|---|---|---|---|
| Direct debt: | | | |
| Town of Parker | $ 64,533,091 | 100.00% | $ 64,533,091 |
| Total direct debt | 64,533,091 | | 64,533,091 |
| Overlapping debt: | | | |
| Douglas County School District | 305,059,571 | 3.00% | 9,151,787 |
| Antelope Heights Metro District #2 | 10,870,000 | 100.00% | 10,870,000 |
| Anthology West Metropolitan District | 1,850,000 | 100.00% | 1,850,000 |
| Canterberry Crossing Metro District | 9,565,000 | 100.00% | 9,565,000 |
| Canterberry Crossing II Metro District | 11,390,000 | 100.00% | 11,390,000 |
| Cherry Creek South #1 Metro District | 2,850,000 | 100.00% | 2,850,000 |
| Cherry Creek South #2 Metro District | 1,850,000 | 100.00% | 1,850,000 |
| Compark Business Park Metro District | 51,110,000 | 58.00% | 29,643,800 |
| Horsecreek Metro District | 4,400,000 | 100.00% | 4,400,000 |
| Horseshoe Ridge Metro District | 3,850,000 | 100.00% | 3,850,000 |
| Jordan Crossing Metro District | 1,305,000 | 100.00% | 1,305,000 |
| Lincoln Meadows Metro District | 7,540,000 | 100.00% | 7,540,000 |
| Lincoln Park Metro District | 36,382,890 | 16.00% | 5,821,262 |
| Neutowne Metro District | 5,275,000 | 100.00% | 5,275,000 |
| Olde Town Metro District | 890,000 | 100.00% | 890,000 |
| Overlook Metropolitan District | 5,170,000 | 100.00% | 5,170,000 |
| Parker Automotive Metro District | 14,745,000 | 100.00% | 14,745,000 |
| Parker Homestead Metro District | 2,959,705 | 100.00% | 2,959,705 |
| Pine Bluffs Metro District | 4,510,000 | 100.00% | 4,510,000 |
| Reata North Metro District | 10,728,635 | 100.00% | 10,728,635 |
| Regency Metro District | 3,540,000 | 100.00% | 3,540,000 |
| Robinson Ranch Metropolitan District | 680,000 | 100.00% | 680,000 |
| Village on the Green Metro District | 1,400,000 | 100.00% | 1,400,000 |
| Cottonwood Water and Sanitation District | 16,876,384 | 92.00% | 15,526,273 |
| Parker Water and Sanitation District | 96,444,617 | 38.00% | 36,648,954 |
| Stonegate Village Metro District | 49,225,000 | 15.00% | 7,383,750 |
| Total overlapping debt | 660,466,802 | | 209,544,167 |
| Grand total direct and overlapping debt | $ 724,999,893 | | $ 274,077,258 |

(a) percentage is the assessed valuation of the governmental entity in relation to the Town's assessed valuation

Source: Douglas County, Metro Districts, Town of Parker Finance Department

## TOWN OF PARKER, COLORADO
### Table 12
### Governmental Employees by Function (Full-time Equivalents)
### Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| Town Clerk | 3.0 | 3.0 | 3.0 | 3.0 | 2.5 | 2.5 | 2.5 | 3.0 | 3.0 | 3.0 |
| Municipal Court | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.6 | 2.6 | 2.6 |
| Town Administration | 4.0 | 4.0 | 5.0 | 5.0 | 4.0 | 3.0 | 3.0 | 3.0 | 3.0 | 4.0 |
| Finance | 13.0 | 13.0 | 14.0 | 14.0 | 11.0 | 11.0 | 11.0 | 11.0 | 12.0 | 12.3 |
| Legal Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Human Resources | 2.8 | 4.0 | 4.0 | 4.0 | 4.0 | 5.0 | 5.0 | 6.0 | 6.0 | 6.0 |
| Risk Management | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Community Development | 26.8 | 27.6 | 25.8 | 25.8 | 21.0 | 21.0 | 22.0 | 22.5 | 22.5 | 25.5 |
| Information Technology | 8.0 | 8.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 10.0 | 11.0 | 11.0 |
| Community Affairs | 4.0 | 4.0 | 3.0 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| Customer Service | 5.6 | 5.6 | 5.6 | 5.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Economic Development | 0.0 | 0.0 | 1.0 | 1.0 | 1.0 | 1.0 | 3.0 | 4.0 | 4.0 | 4.0 |
| **Public Safety** | 88.0 | 91.2 | 92.2 | 92.2 | 92.5 | 93.3 | 96.3 | 101.3 | 105.5 | 113.5 |
| **Public Works** | 46.8 | 50.8 | 51.8 | 53.3 | 49.5 | 49.5 | 50.3 | 50.1 | 53.1 | 55.6 |
| **Parks, Recreation and Culture** | 41.2 | 44.2 | 44.2 | 46.2 | 48.2 | 48.4 | 54.4 | 57.2 | 63.0 | 67.4 |
| | 249.0 | 261.2 | 264.4 | 268.4 | 254.6 | 255.6 | 268.4 | 279.8 | 294.8 | 314.0 |

Source: Town of Parker Finance department

**TOWN OF PARKER, COLORADO**
**Table 13**
**Capital Assets by Function and Program**
**Last Ten Years**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General government** | | | | | | | | | | |
| Town hall | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other office buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| **Public safety** | | | | | | | | | | |
| Police station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Public works** | | | | | | | | | | |
| Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Miles of roadway | 143 | 145 | 159 | 171 | 177 | 178 | 180 | 182 | 184 | 187 |
| **Parks, culture and recreation** | | | | | | | | | | |
| Ruth Chapel | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Schoolhouse (formerly Mainstreet Center) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| PACE Center | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation Center with indoor pool | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fieldhouse | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Outdoor pool | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks | | | | | | | | | | |
| Regional | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 |
| Local | 10 | 11 | 11 | 11 | 11 | 11 | 12 | 13 | 14 | 14 |

Source: Town of Parker

## TOWN OF PARKER, COLORADO
## Table 14
## Operating Indicators by Function
## Last Ten Years

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| *Building Permits:* | | | | | | | | | | |
| Single-family residential units | 232 | 142 | 43 | 112 | 183 | 381 | 332 | 347 | 312 | 291 |
| Valuation | $ 67,334,924 | $ 45,050,250 | $ 16,005,637 | $ 32,509,630 | $ 55,076,498 | $119,581,591 | $117,231,450 | $119,630,934 | $106,788,354 | $104,587,047 |
| Multi-family residential units | 3 | - | - | 7 | 7 | 38 | - | 9 | 23 | 39 |
| Valuation | $ 618,078 | $ - | $ - | $ 1,295,564 | $ 1,338,620 | $ 7,420,142 | $ - | $ 34,373,298 | $ 49,091,908 | $ 46,291,379 |
| Total commercial new, remodel and other | 582 | 615 | 631 | 466 | 416 | 515 | 628 | 637 | 489 | 779 |
| Valuation | $ 75,476,426 | $ 45,345,961 | $ 41,666,769 | $ 36,123,583 | $ 25,251,892 | $ 19,139,318 | $ 27,232,684 | $ 88,644,852 | $ 56,552,496 | $ 74,862,413 |
| *Tax and Licensing:* | | | | | | | | | | |
| Business licenses issued | 175 | 227 | 513 | 458 | 333 | 749 | 631 | 487 | 492 | 482 |
| **Public Safety** | | | | | | | | | | |
| *Police:* | | | | | | | | | | |
| Calls for service * | 53,569 | 55,721 | 65,821 | 63,995 | 58,009 | 60,084 | 65,122 | 65,987 | 68,577 | 73,133 |
| Total charges * | 6,003 | 5,516 | 4,841 | 4,379 | 4,431 | 5,325 | 5,218 | 5,696 | 5,813 | 5,183 |
| *Building Inspection:* | | | | | | | | | | |
| Total building inspections | 21,408 | 17,694 | 18,122 | 14,490 | 16,061 | 34,622 | 27,238 | 25,170 | 29,015 | 27,707 |
| **Highways and Streets** | | | | | | | | | | |
| *Streets:* | | | | | | | | | | |
| New roadway additions (miles) | 6 | 2 | 14 | 12 | 6 | 1 | 2 | 2 | 2 | 3 |
| **Parks and Recreation** | | | | | | | | | | |
| *Recreation:* | | | | | | | | | | |
| Adult sports leagues | 8 | 8 | 8 | 7 | 8 | 8 | 8 | 8 | 7 | 28 |
| Youth sports leagues | 9 | 9 | 14 | 15 | 17 | 17 | 23 | 24 | 26 | 30 |
| Adult league attendance | 4,079 | 5,440 | 6,195 | 5,874 | 5,556 | 6,584 | 6,036 | 5,183 | 5,306 | 5,997 |
| Youth league attendance | 8,572 | 8,319 | 8,754 | 8,813 | 8,438 | 9,360 | 10,576 | 11,083 | 10,047 | 10,442 |

***** Parker Police Department reports incidents based on the National Incident Based Reporting System. The totals shown are based on charges, not the number of incidents that occurred. It is possible, even likley, that an incident had more than one Colorado State Statute or Municipal charge associated with it. Crime Statistics are by nature dynamic, which allows for additions, deletions and modifications at any time.

**Source**: Various Town of Parker departments.

**TOWN OF PARKER, COLORADO**
**Table 15**
**Demographic and Economic**
**Information Last Ten Years**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Area in square miles | 19.70 | 20.20 | 20.50 | 20.50 | 20.80 | 21.20 | 21.20 | 21.28 | 21.54 | 21.78 |
| Housing units | 16,184 | 16,451 | 16,508 | 16,620 | 16,731 | 17,133 | 17,451 | 17,798 | 18,752 | 19,011 |
| Population | 45,211 | 45,244 | 45,259 | 45,297 | 45,758 | 46,919 | 47,823 | 48,789 | 50,677 | 51,023 |
| Average persons per household | 2.88 | 2.85 | 2.85 | 2.85 | 2.84 | 2.84 | 2.84 | 2.84 | 2.80 | 2.68 |
| Median age | 34.50 | 34.50 | 35.40 | 36.60 | 36.10 | 35.80 | 34.40 | 34.70 | 34.90 | 34.60 |
| High school graduates - persons age 25+ | 97.0% | 96.0% | 97.0% | 97.0% | 97.1% | 97.2% | 97.5% | 97.4% | 97.7% | 97.7% |
| Bachelor's degree or higher - persons age 25+ | 51.9% | 56.0% | 45.3% | 45.3% | 46.9% | 47.5% | 48.5% | 50.2% | 53.5% | 52.6% |
| Unemployment rate | 2.3% | 3.0% | 5.0% | 5.2% | 6.3% | 5.9% | 5.0% | 3.6% | 2.7% | 2.1% |
| Per capita income | $ 58,305 | $ 62,633 | $ 62,500 | $ 65,874 | $ 71,463 | $ 75,317 | $ 79,127 | $ 82,938 | $ 86,749 | $ 97,824 |
| Total personal income (in thousands) | $2,636,027 | $2,833,767 | $2,828,688 | $2,983,895 | $3,270,004 | $3,533,798 | $3,784,091 | $4,046,462 | $4,396,179 | $4,991,274 |

**Source**: Town of Parker, Douglas County, Nielsen Claritas Site Reports, Bureau of Economic Analysis.