PARKER
COLORADO

# 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Year Ended Dec. 31, 2018*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## *Town of Parker, Colorado*

## *For the Year Ended December 31, 2018*

**Prepared by the Finance Department**

Mary Lou Brown, Finance Director
Member of the Government Finance Officers Association

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

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# INTRODUCTORY SECTION

PARKER
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June 28, 2019

**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, 2018. 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, 2018. 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

Located 20 miles south of Denver and spanning 22.2 square miles, the Town of Parker offers the perfect balance of a full-service community with a hometown feel. A community that is highly rated for safety, Parker provides more than 53,000 residents with an unmatched quality of life, spectacular parks and recreation amenities, a great business mix, world-class cultural facilities and a wide variety of community events. With a highly-educated population and household income that exceeds most of the Denver Metro area, Parker is well positioned for the future.

Parker operates under a Town Council/Administration form of government. The Mayor and Town Council, who are elected at large, make policy decisions, approve the Town budget and enact and provide for the enforcement of Town ordinances (laws). Town Council hires and directs the Town Administrator, who oversees Town staff and the day-to-day operations of the organization.

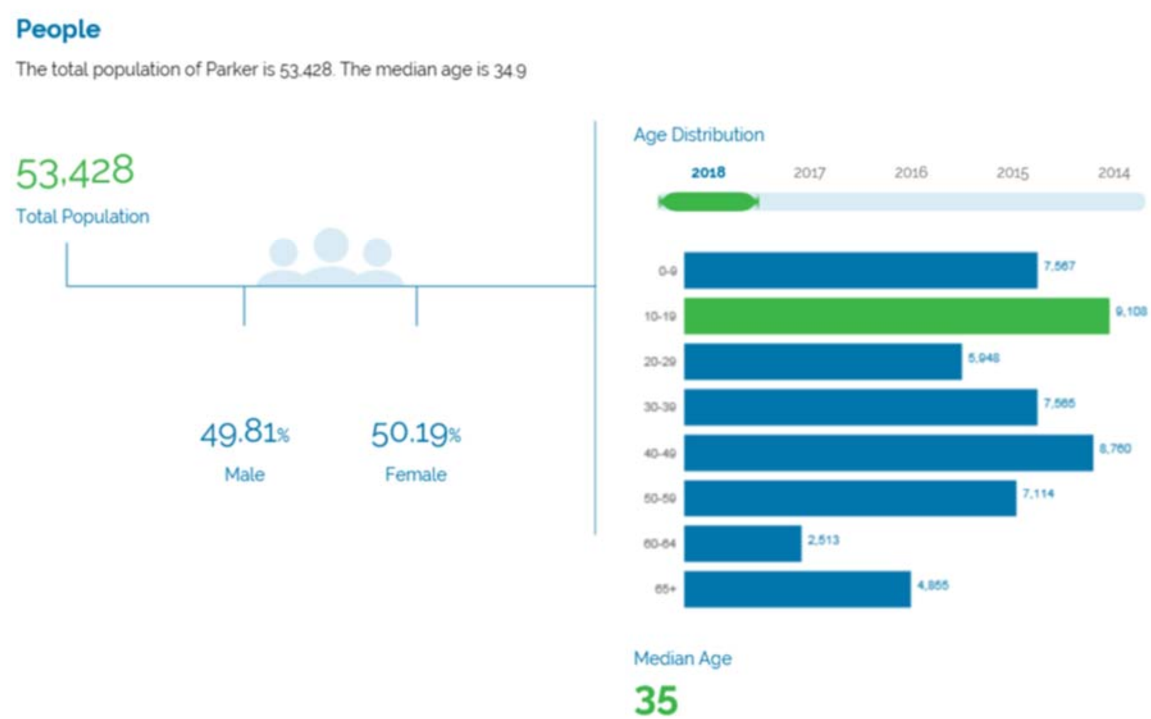
The Town employs 343 full-time and approximately 600 part-time employees who are dedicated to providing services to our Parker citizens. The Parks, Recreation and Open Space Department employs the largest number of staff. The Police Department is the second largest in terms of staff.

The Town continues to grow quickly and works diligently to provide and maintain the necessary community infrastructure, including more than 500 lane miles of roadway, 90 traffic signals, over 6,600 stormwater drainage facilities, and 32 Town-owned buildings. Our Police Department is an accredited industry leader and recently implemented a nationally-recognized body-worn camera program, as well as other innovative initiatives.

In addition to the many services offered by the Town, we strive to engage our community through social media, opportunities for involvement and a wide range of activities and events. Even through Parker's growth, we have managed to maintain a palpable feeling of community.

Parker is a well-planned community that offers excellent opportunities for investors, retailers and developers to relocate or expand. Both businesses and residents enjoy the open space and trails, recreational amenities, opportunities for community involvement and great schools. They also enjoy a wide range of shopping venues, access to many modes of transportation and quality services.

**History**
When the Town incorporated in 1981, it was one square mile and had a population of 285. Since then, Parker has transformed from a rural equestrian community to an exciting town with more than 53,000 residents, beautiful open spaces and well-planned residential and commercial developments. The municipalities of Lone Tree and Aurora are directly adjacent to Parker while Castle Rock is located just to the south.




**Governance**
The Town is a home-rule municipality governed by a Council-Administrator form of government. Six Councilmembers and the Mayor are elected to staggered four-year terms, such that no more than three Councilmember terms expire every two years. Councilmembers and the Mayor are limited to two consecutive four-year terms.

Town Council is given the power by the Town Charter to enact and provide for the enforcement of ordinances, make policy decisions and approve the Town budget. They also hire, supervise and direct the Town Administrator, Town Attorney and Municipal Court Judge. The Town Administrator carries out the Council's directives and is responsible for all other Town staff and day-to-day activities.

## PARKER AMENITIES

### Healthcare

Parker Adventist Hospital is located in Parker and offers a wide array of specialists and services, including a branch of The Children's Hospital. New medical offices and practices continue to locate near this facility and the surrounding area, attracting a high-quality workforce to the community. In addition, the Skyridge Medical Center is located in Lone Tree, just 10 miles west of Parker. Both hospitals have recently added new facilities to accommodate the growth that Parker and Douglas County have experienced in recent years.

Parker is also home to the Rocky Vista University College of Osteopathic Medicine. The Rocky Vista University campus includes leading-edge technology, AV capabilities and educational support which are evident throughout the approximately 145,000 square feet of campus and buildings of the University.

### Water

Three special districts serve the greater Parker area's water needs: Parker Water and Sanitation District, Cottonwood Water and Sanitation District and Stonegate Village Metropolitan District. These are separate districts and are not included in the Town's financial statements.

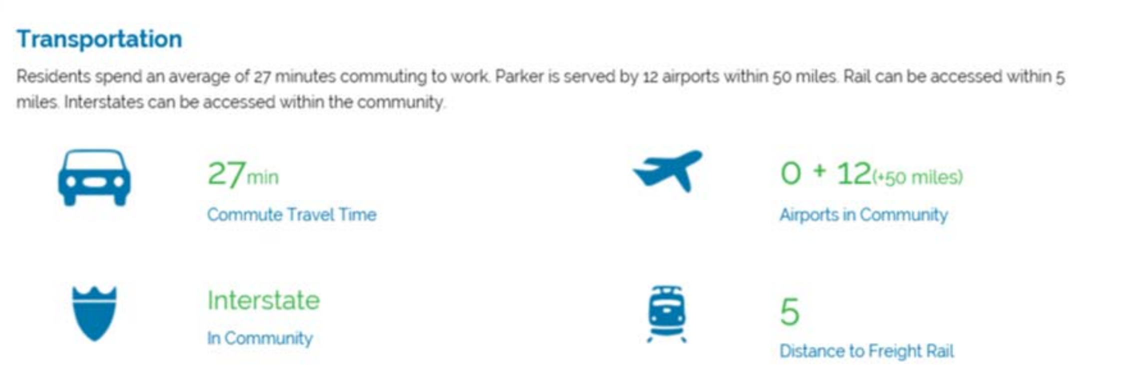
### Roadways and Travel

Parker is located in northeast Douglas County approximately five miles east of I-25. The E-470 tollway runs through the northern area of Town and the 15 to 20 minute commute to the Meridian, Inverness and Denver Tech Center business parks is easily made via the expressway.

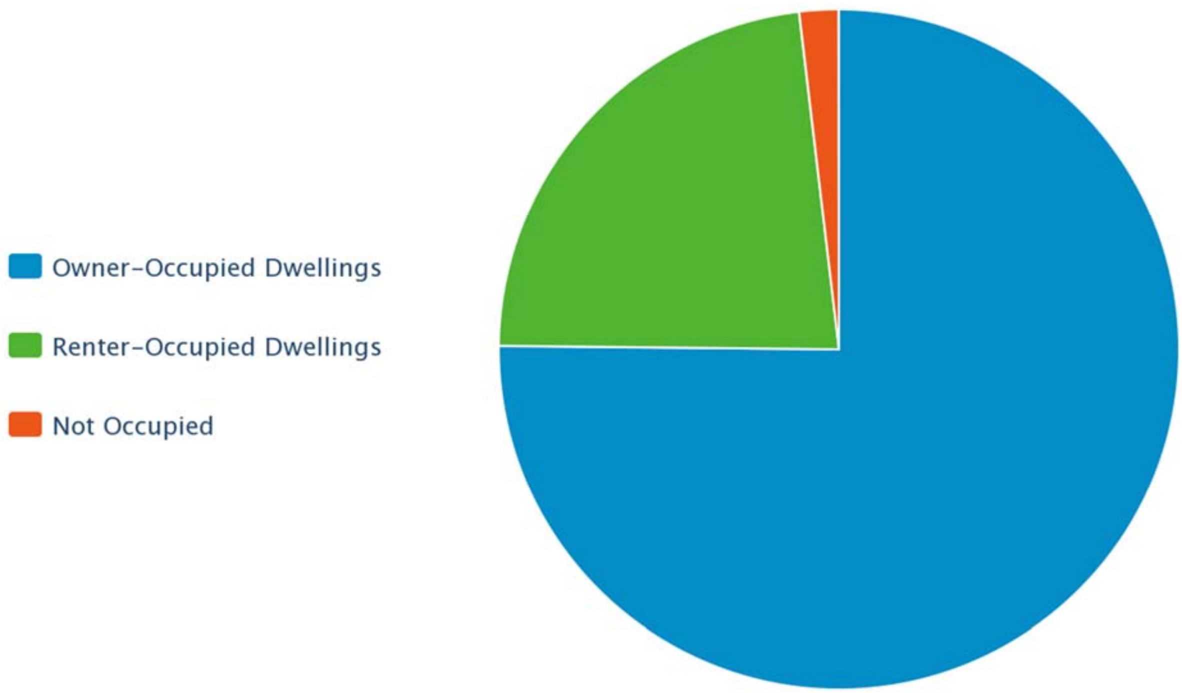
South Parker Road (Highway 83) provides connectivity and convenient access for commuters. The Regional Transportation District (RTD) also serves the Parker community by providing rapid transit services, including the Light Rail on Lincoln Avenue and a Call-N-Ride system to various businesses and residents.

### Airports

Centennial Airport, located about 15 minutes from central Parker, is the third busiest general aviation facility in the country, handling corporate and charter air traffic. Denver International Airport is approximately 30 miles northeast of Parker and can easily be reached in 30 minutes via E-470.



**Housing**
Parker's residential communities include a variety of well-planned housing opportunities, ranging from entry level homes to luxury executive housing to multi-family townhomes, condos and apartments. Mixed-use neighborhoods are being developed in Parker, as well as a variety of homes along golf courses, parks and open space. The median home value is $470,500.




**Recreation**
Parker residents enjoy a wide variety of recreational activities, including a newly built library, a senior center and 17 public parks. The public parks contain a variety of facilities including soccer, baseball and softball fields, basketball courts, tennis courts, a skate park, walking trails, picnic pavilions and playgrounds, as well as a brand new dog park and disc golf course, which opened in 2017. During the winter months, the Discovery Park Ice Ribbon is a favorite gathering place for residents. The Town's Railbender Skate and Tennis Park is a favorite for many local in-line skaters and skateboarders.

The Parker Fieldhouse is a 100,000-square-foot indoor facility that features basketball courts, a 25-foot climbing wall, inline hockey rink, turf field, fitness center, running track and batting cages. Program participation continues to exceed expectations.

The Recreation Center is home to an Olympic-size indoor swimming pool that is used by the high school swim teams, as well as for swimming lessons, exercise classes and year-round recreational swimming. The facility also includes basketball courts, work-out area with state-of-the-art equipment, cycling area and classrooms for various activities. The Recreation Center underwent a major expansion in 2015. Approximately 24,600 square feet was added to the existing facility, and approximately 8,000 square feet of the current facility was renovated.

H2O'Brien Pool is an outdoor swimming pool that features slides, a zero-depth entry, water cannons and a fort in the pool that allows kids and adults to play and relax.

Of course, Parker recreation is much more than facilities. Our community enjoys a full range of adult and youth programming choices. Offerings include year-round swimming lessons, youth and adult sports and special interest classes, arts and crafts classes and cultural events. Recreational sport leagues are available year-round for nearly all age groups.

**Arts, Culture and Events**
From festivals and events to public art and performances, Parker is an exceptionally artistic and creative community.

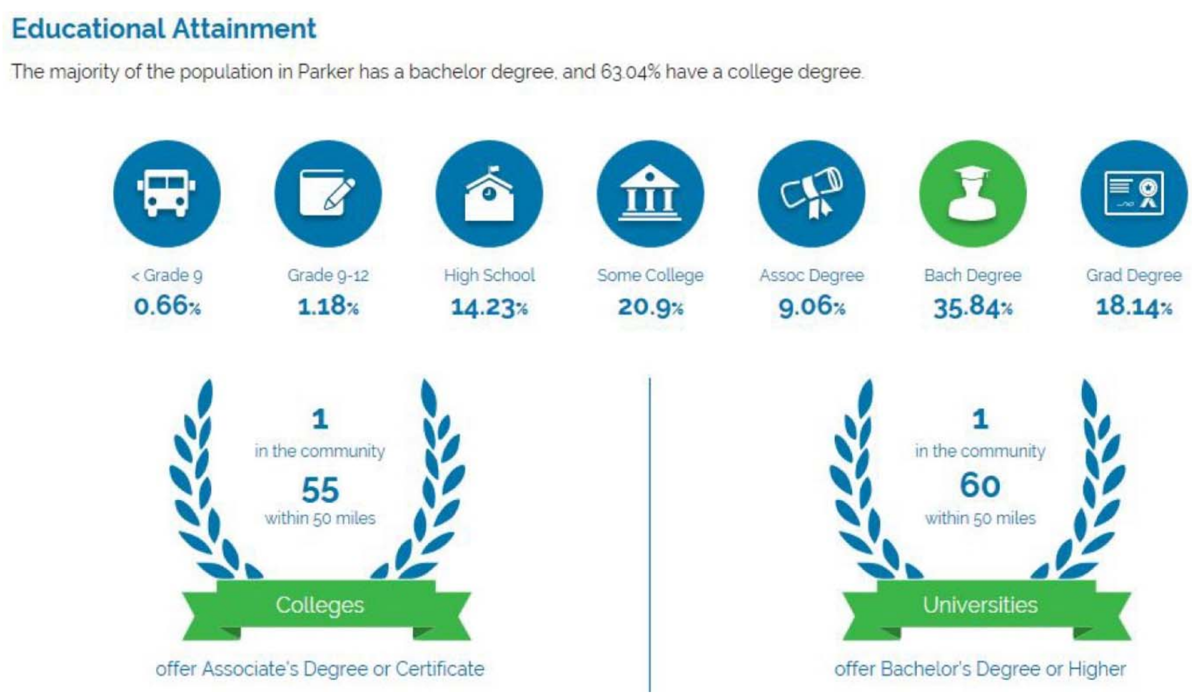
The Parker Arts, Culture and Events (PACE) Center opened in the fall of 2011 and is home to a 500-seat theater, 250-seat amphitheater, art gallery, event room, dance studio, culinary teaching kitchen, visual arts studios, media room and several classrooms. The PACE Center provides a wide variety of family-oriented cultural, arts, scientific and educational programming to the region and serves as a rental venue for community, business and social events.

The Schoolhouse, located in the heart of downtown Parker, continues to house fantastic events, shows, classes and art. Originally opened in 1915 as the Parker School House, the building operated as a school until 1967 and was acquired by the Town in 1995. The Schoolhouse includes a 200-seat theater, dance studio and classrooms for community, cultural and recreational activities.

## Education

Parker is served by the Douglas County School District Re. 1 (DCSD). The third largest school district in the state, DCSD serves more than 68,000 students and is one of the highest performing districts in Colorado.

In addition to the Rocky Vista University College of Osteopathic Medicine, Parker is also home to the Arapahoe Community College Parker Campus, which provides a convenient location for educational opportunities for higher education to those living or working in and around Douglas County. The University of Colorado (CU) South Denver is also conveniently located just west of Parker.




## Parker Tax Rates

The Town's property tax rate is 2.602 mills, which is one of the lowest property tax rates in the state. The Town's sales tax rate is 3 percent and is the largest revenue source for the Town. The total sales tax rate in Parker is 8 percent and includes the state, county and RTD. Of the Town's 3 percent sales tax, 2.5 percent is directed to the General Fund to support the majority of the Town's operations including public safety and public works. The other 0.5 percent is dedicated to meeting Parker's parks, recreation and open space needs.

**Economy and Demographics**
In addition to the excellent recreation, education, health care, transportation access and water amenities currently available, strong demographics in Parker and Douglas County support the Town's economic activity and growth.  The following set of data and graphical information illustrates various demographic and economic indicators of the Town and the surrounding area.

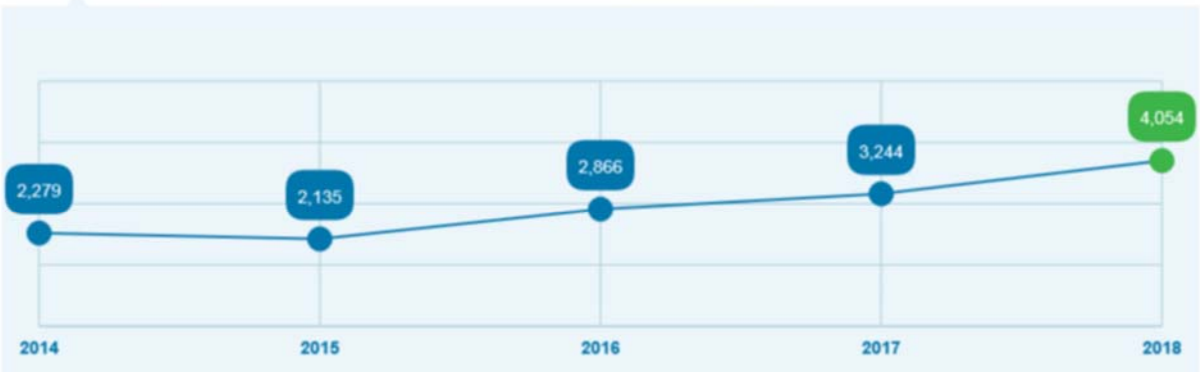
## Businesses and Jobs

Parker has a total of 2,320 businesses. In 2017, the leading industries in Parker were Health Care and Social Services, Retail, Accommodation and Food Services, and Education.

What are the top industries by jobs?

1 Health Care and Social Services
4,054 Jobs
550 Establishments

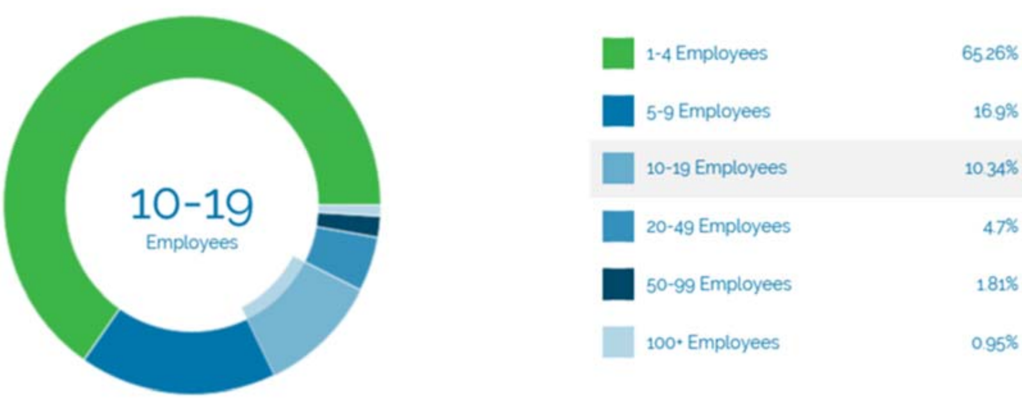
2 Retail
3,517 Jobs
264 Establishments




3 Accommodation and Food Services
2,364 Jobs
126 Establishments

4 Education
1,372 Jobs
63 Establishments

How many employees do businesses in Parker have?



## Labor Force

Parker has a labor force of 30,753 people, with an unemployment rate of 2.3%.

| 30,753 | 2.3% | 21.05% |
|---|---|---|
| Labor Force | Unemployment Rate | Unemployment Rate Change (1 year) |

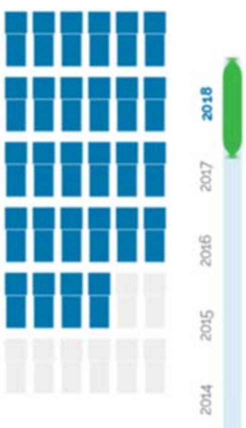
## Talent

**Where are the top jobs by occupation?**

| Office and Administrative support | Sales | Executive, Managers, and Administrators | Education, Training/Library | Food Preparation, Serving |
|---|---|---|---|---|
| **14.2%** | **13.74%** | **11.22%** | **6.74%** | **6.49%** |
| 2,753 | 2,664 | 2,175 | 1,306 | 1,258 |

Total Employees

19,390




The work distribution of total employees in Parker is:

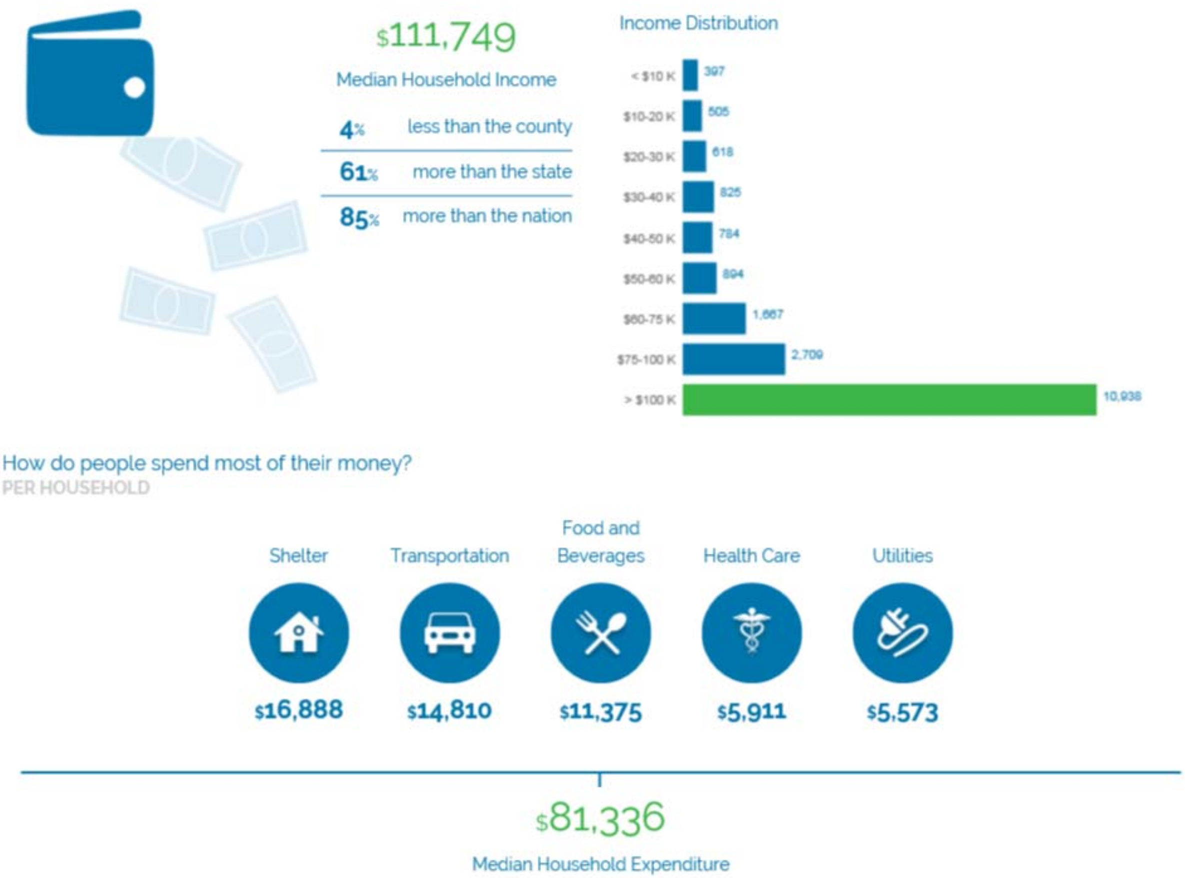
| **31%** | **68%** |
|---|---|
| Blue Collar | White Collar |

Total Establishments

2,320

## Income and Spending

Households in Parker earn a median yearly income of 111,749. 70.58% of the households earn more than the national average each year. Household expenditures average 81,336 per year. The majority of earnings get spent on Shelter, Transportation, Food and Beverages, Health Care, and Utilities.




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 (P3) and the Greater Parker Foundation (GPF). Component units are legally separate entities for which the primary government is financially accountable.

P3, 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. 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.

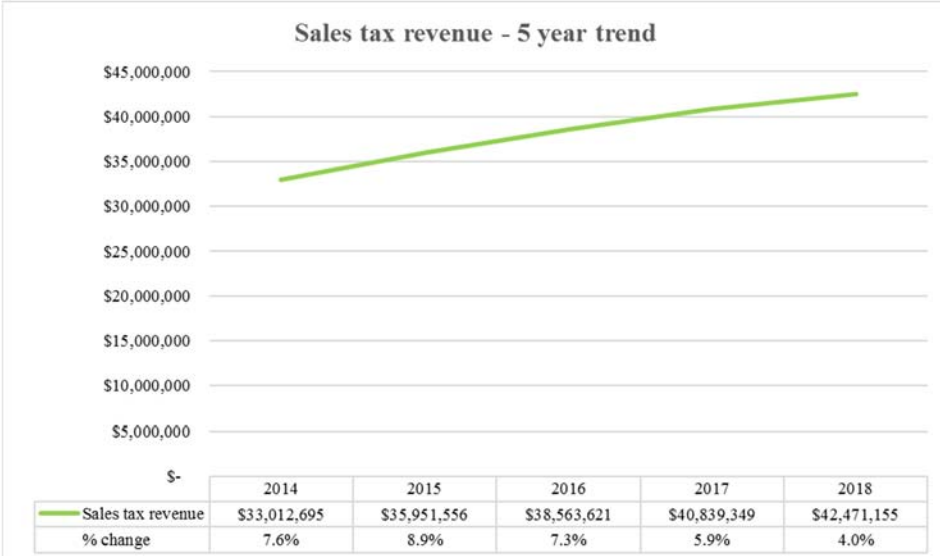
**ECONOMIC CONDITIONS**

The Town concluded the year in excellent financial condition, as indicated in this December 31, 2018 financial report.

Local retail sales growth, as evidenced by sales tax receipts, has been strong and has reflected a growing level of retail establishments and the growing population. Sales tax, the Town's largest revenue source, increased 4.0 percent in 2018 compared to 2017, which in turn was 5.9 percent greater than 2016. Chart 1 illustrates the sales tax growth from 2013 through 2018 and shows how the growth rate has been declining over the past several years.

Internet sales have an impact on the amount of sales tax collected in the Town; however, over 20 internet-based businesses are voluntarily remitting to the Town and one of those is in the top twenty remitters. Internet sales from companies with a brick and mortar presence in the Town are included in the sales tax receipts. The increasing consumer debt levels for housing and education may also be contributing to the slowing growth rate. In addition, much of the commercial growth in the Town has recently been in the necessary services required to meet the increasing population; these services are not taxed under the Parker sales tax ordinance.

**Chart 1. Sales Tax**




In recent years, the Town has seen significant improvement in construction related revenues. In 2018, use tax revenue was up 15 percent and excise tax revenue increased by 14 percent over the prior year, due to related valuation of total building permits. To put the 2017/2018 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 2017 is the largest in the last ten years and 2018 is slightly under the previous year, that number is still only a little more than 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. The Town is approximately 80% built out and in future years will most likely begin to see a decline in the number of permits and construction related revenues.

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

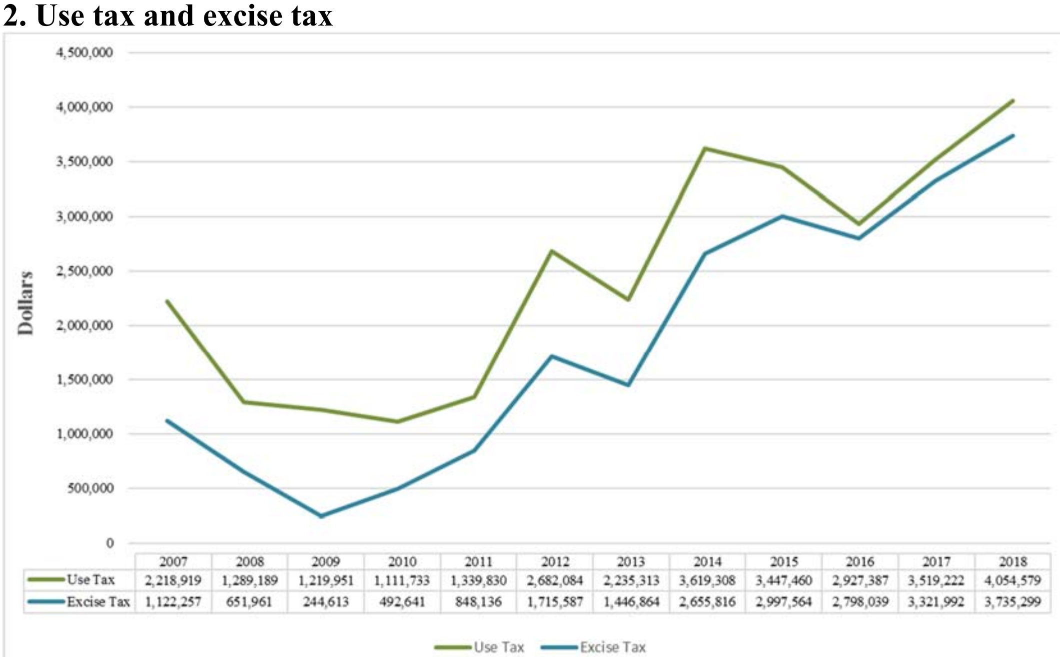
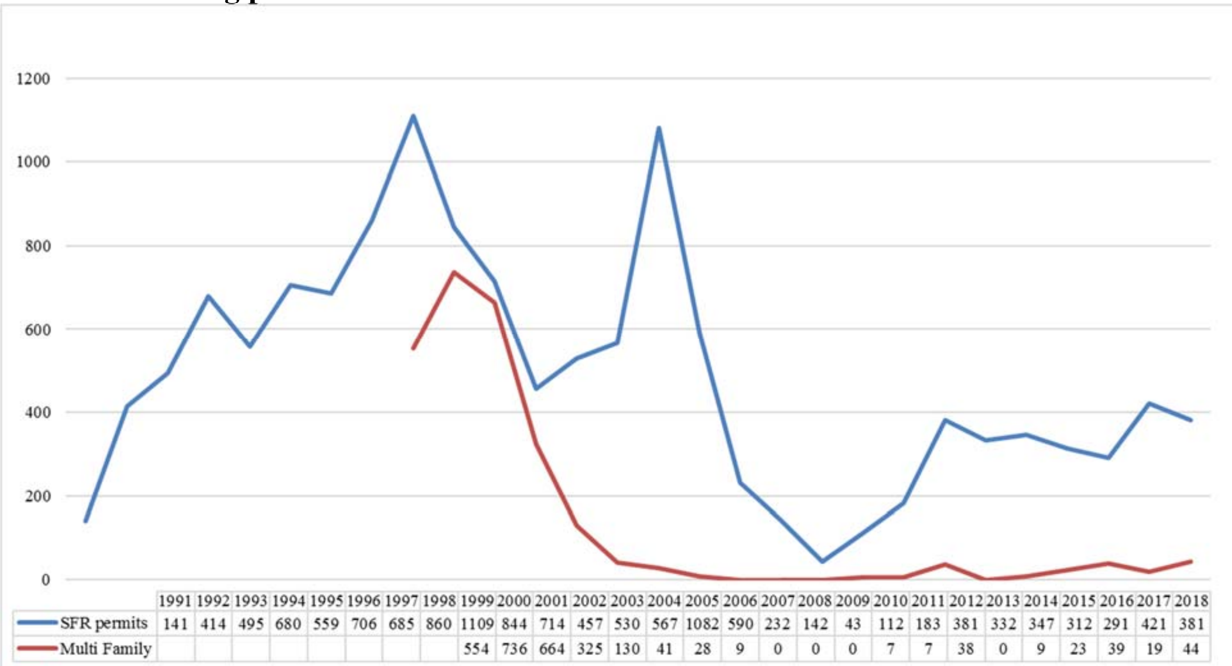


**Chart 3. Building permits issued**




Douglas County's unemployment rate ended 2018 at 2.9 percent which is fairly stable with the prior two years. The County has continued to fare better than the State, which had a 3.3 percent unemployment rate at the end of 2018. For the same period, the national unemployment rate was 3.9 percent.

The Town developed the 2019 Annual Budget using a conservative approach. The declining growth rate in sales tax revenue combined with the low unemployment rates and strong construction figures, housing sales and consumer confidence, led us to continue with a realistic, yet conservative budgeting approach. Therefore, with our cautious optimism for the outlook on the economy, we projected moderate revenue increases for 2019.

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. An increased emphasis has been placed on infrastructure maintenance and replacement of aging equipment. The budget also reflects the priority the Town places on its employees with both a strong performance pay plan and competitive benefit plans in place.

## LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

As part of its strategic plan, the Town Council 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 an 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.*

Parker's parks and recreational opportunities are often ranked among our community's most valuable assets. Parker is home to state-of-the-art recreational facilities and parks. Acting as partners in community wellness, we support lifelong recreation opportunities and amenities both indoors, including our fitness activities, multi-use trails and beautiful open spaces.

We strive to be an area leader not only through our recreational amenities, but through our support of an active and connected community. Through regional partnerships, we maintain and develop multi-use trails and open spaces, which continue to be a priority. We support the development of bike lanes to allow for alternative modes of transportation. Our neighborhoods are walkable and accessible which contributes to our goal of being a connected, active community. Developing aesthetically pleasing and interactive parks is a priority for us. We support ecologically efficient practices for the protection of a healthy, local ecosystem.

**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.*

History, arts and culture are significant contributors to our hometown feel. We embrace community creativity and encourage our residents to be active partners in the cultural arts and enrichment opportunities. Our residents love to create, explore and participate in community activities, and cultural events ranked among the top five most highly-rated Town services in our recent Citizen Survey.

Our Town's history provides a foundation for our community and establishes Parker's unique cultural heritage. World-class cultural amenities feature local groups as well as national and international performers. Our art galleries showcase emerging and professional artists, and our diversity of public art helps create a distinct sense of place. Our community has access to a rich mix of literary and learning opportunities. Our cultural and recreation opportunities continue to keep our residents engaged in creative experiences, but also work to gain interest in the Town from around the state and nation.

Parker Arts frequently offers free concerts and events on the PACE Patio and in O'Brien Park featuring local, popular bands and world music. Our cultural education opportunities also continue to expand, with over 400 classes each year serving youth and adults. Offering a positive environment for creativity and engagement is a priority for the Town as a way to create a strong, connected community.

This goal is also present in our continuing efforts to engage residents in our future planning and design decisions, and supports open communication and positive dialogue with our residents. Listening to our community members through citizen surveys, digital engagement, participation in public meetings and representation on our volunteer boards and commissions allows us to better understand the needs of our community.

## 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.*

Parker is a great place to shop, eat and connect, and our goal is to continue to create and enhance a healthy economic environment. We support our business community and provide them with tools for success, and safeguard necessary commerce infrastructure. Our continued economic health allows us to provide exceptional services and amenities for our residents. The Town works to attract quality businesses and employers to keep our hometown feel intact.

A healthy economy contributes to Parker's high quality of life and provides local employment opportunities. Diverse job creation, talent management and entrepreneurial support are reflected in our community values and are a focus of our economic development efforts. We encourage sustainable business practices and collaborate with area businesses to promote an atmosphere of growth and prosperity. By partnering with area stakeholders including the Chamber of Commerce, the Downtown Business Alliance and others, we work as an advocate for the business community.

We foster community development through positive business relationships and advocacy efforts. Redevelopment and area improvement strategies support our business community and attract critical investment opportunities. Through the Parker Authority for Reinvestment (PAR), the Town is able to provide additional incentives for the redevelopment of older, blighted sections of the community. PAR assistance is a valuable tool in attracting private sector investment and encouraging efficient and attractive redevelopment of existing commercial sites.

## 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.*

We are a regional leader for safety prevention and education, and have gained national attention for proactive programs focused on the safety and health of our community. We support a stable and connected community by ensuring the safety and well-being of our residents. Having a hometown feel means that our community looks out for one another as neighbors, which is a quality Parker will maintain even as it expands its boundaries.

Risk mitigation and management are top priorities for us, as well as community preparedness and resiliency. We provide proactive educational programs and serve as an active partner in crime prevention. Acting as a regional model for emergency preparedness, Parker provides critical training opportunities that allow our residents to be active partners in their community's safety and health. We protect the integrity of our neighborhoods through active community policing and minimizing the impact of hazards through code enforcement.

We work to ensure the stability of our streets and stormwater engineering to protect the well-being of our roads and neighborhoods. We optimize the efficiency of our traffic signals and signs to help support stable infrastructure. We are committed to providing a reliable day-to-day transportation network for business and residents. The Town protects our residents through responsible infrastructure development and planning, and proactively educates our staff and community.

## 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.*

Innovative techniques allow us to bring forth new ideas to our community and work together to solve regional problems. Parker continually researches new techniques to find the best strategies for effective service delivery. We continue to evaluate our services for efficiency. New performance tools and innovative budgeting techniques are the result of successful collaborations with staff and area partners. These tools give us perspective on our progress and feedback on how we can continually improve.

Our departments innovate together to provide the highest quality services for our community. Working as a team allows for the best sharing of information and lets us jointly guide critical decisions, as well as provide effective and timely responses to our customers. We actively partner with our community to ensure we are meeting their needs efficiently. Positive relationships with our surrounding communities and regional leaders are important building blocks for effective governing.

We promote the research and development of innovative tools with which to serve our residents and stakeholders. We are committed to continual evaluation and improvement of our services. We promote a responsive, transparent governing structure to support these goals and encourage active public engagement, response and feedback.

## 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.*

Under the guidance of community feedback and the master plan, our goal is to keep our community thriving for generations to come. This is achieved through conscientious development, enhanced services and investing wisely in Parker's future.

This goal outlines our focus on the long term well-being of our community. As members of this community, we too have a stake in keeping Parker great for future generations. We take pride in making this the best place to live in Colorado, and work to make the necessary investments in the people and infrastructure needed to reach this goal.

Using a future focus, we preserve the integrity of the Town's historical elements by utilizing smart and sustainable planning that preserves our hometown feel. Designing and implementing sustainable transportation and infrastructure helps address both current and future needs of our community. We regularly assess the effectiveness and efficiency of our services through budget-focused evaluations.

Developing a visionary community also means creating stability in our growth and safeguarding the long-term health of our Town. This requires balancing the Town's growth to protect our close-knit community and hometown atmosphere. Our strategic planning initiatives and business planning efforts allow us to evaluate our organizational goals and match them with the needs of our community.

**RELEVANT FINANCIAL POLICIES**

Through the 2018 fiscal year, the Town policy was to maintain at least three months of operating expenditures (25.0 percent of the annual budgeted expenditures) in the fund balance of the General Fund. As of December 31, 2018, the actual fund balance of $21.0 million was 42.5 percent of the General Fund actual expenditures. The expiration of economic incentive agreements, strong management of expenditures and revenue growth kept the Town in a positive cash 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, 2017. This was the 29th 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 our Accounting Manager Rhonda Willey. 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 | Mary Lou Brown |
| Town Administrator | Finance Director |

To find out more about our great community, visit www.ParkerOnline.org.
*Parker, Colorado. It's your kind of place.*

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, 2017**

Christopher P. Morrill

Executive Director/CEO

# 2018 TOWN OFFICIALS

From left to right: Councilmember Joshua Rivero, Councilmember Debbie Lewis, Councilmember Jeff Toborg, Councilmember Renee Williams, Mayor Mike Waid, Councilmember Cheryl Poage and Councilmember John Diak.

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**Appointed Officials**

Town Administrator ............. Michelle Kivela
Town Attorney................... James S. Maloney
Municipal Judge .......................... Kevin Sidel

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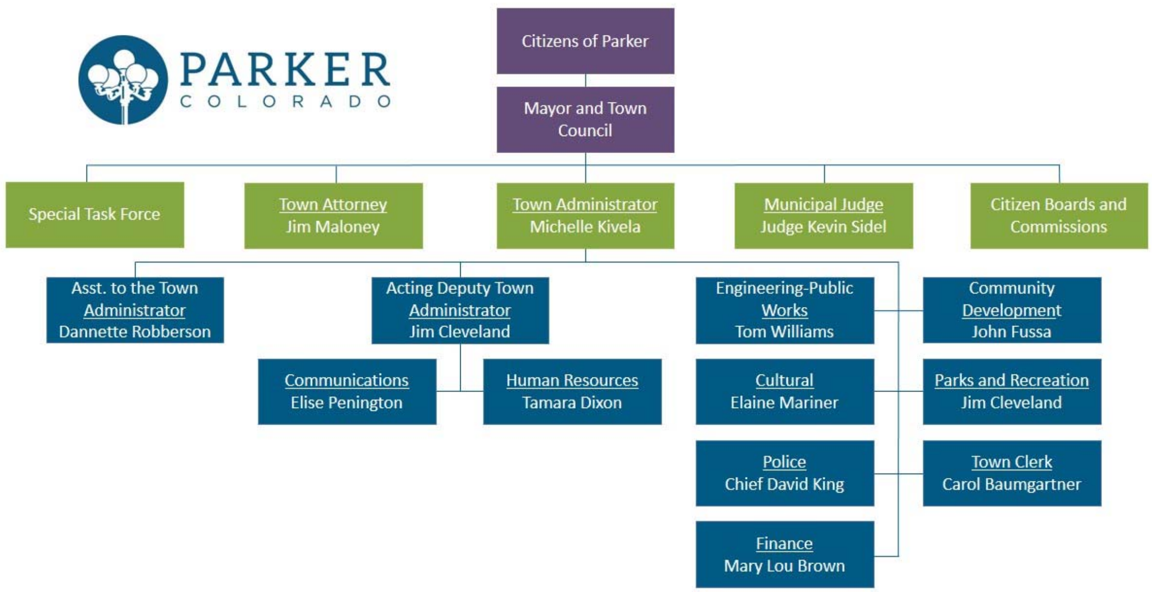
**Department Directors**

Deputy Town Administrator (Acting) ....................................................................Jim Cleveland
Town Clerk ..........................................................................................Carol Baumgartner
Communications .............................................................................................. Elise Penington
Community Development.........................................................................................John Fussa
Cultural ........................................................................................................ Elaine Mariner
Finance...................................................................................................Mary Lou Brown
Human Resources ........................................................................................... Tamara Dixon
Parks and Recreation.........................................................................................Jim Cleveland
Police Chief..........................................................................................................David King
Public Works and Engineering ............................................................................ Thomas Williams

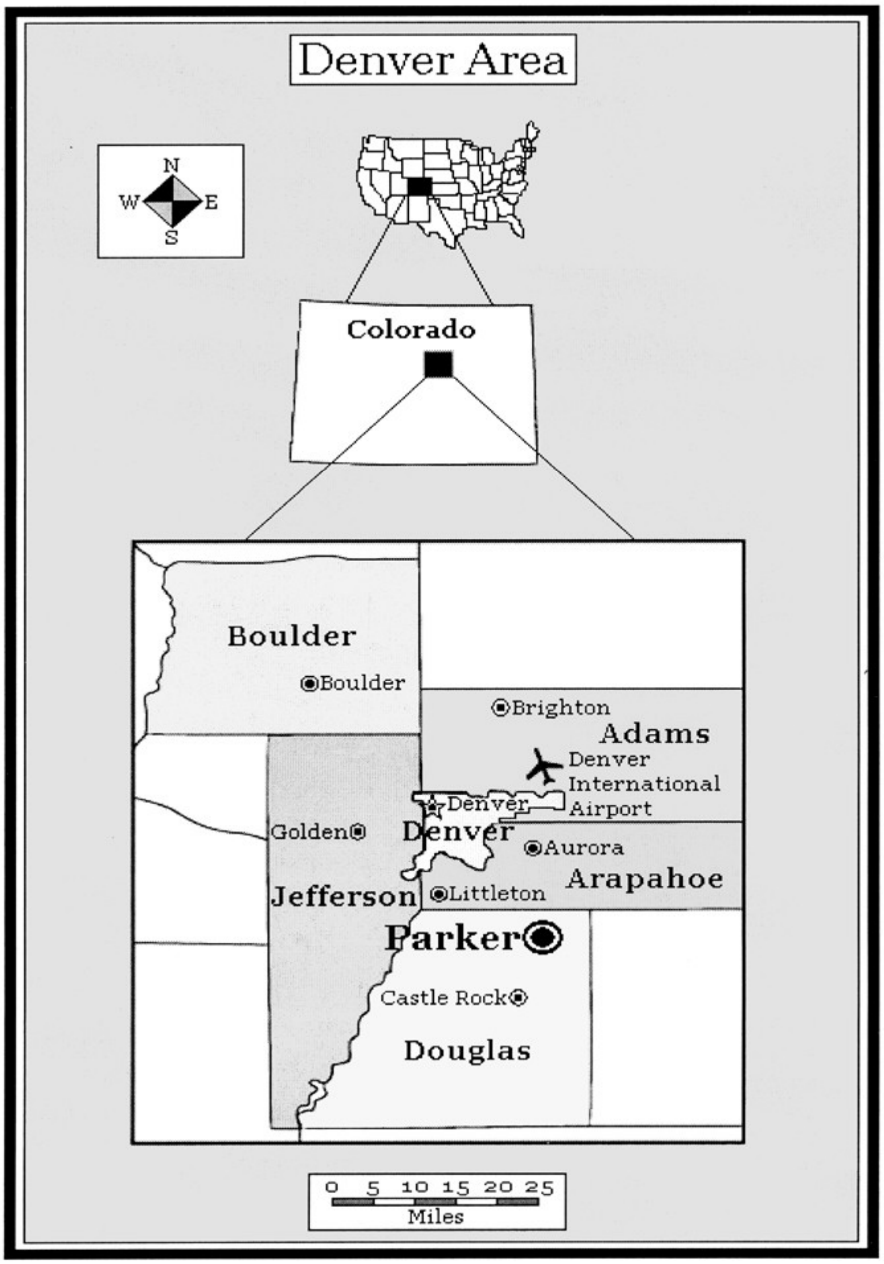
# 2018 ORGANIZATIONAL CHART



# TOWN OF PARKER

## Douglas County, Colorado
## Location Map

Prepared by:
Town of Parker
Geographic Information System



# FINANCIAL SECTION

PARKER
COLORADO

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, 2018, 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, 2018, 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, and the Recreation 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 introductory section, combining and individual fund financial statements and schedules, budgetary schedules, Local Highway Finance Report, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 28, 2019

## 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, 2018. We encourage readers to consider the information presented, along with additional information provided in the letter of transmittal (beginning on page 6) when reviewing the financial statements, which begin on page 48.

### FINANCIAL HIGHLIGHTS

- At the end of 2018, the value of the Town's total net position was $674 million. Of this net position amount, $38 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 $19.8 million in 2018. This increase came primarily from the increase in sales and use tax, charges for services and excise tax.

- Sales and use tax in the General Fund increased from $34.3 million to $35.8 million or 4.12 percent. Sales tax is the Town's largest revenue source and is 69.9 percent of the total General Fund revenue.

- The Town reduced its total outstanding debt by $3,105,000 in 2018 leaving a balance of $57,840,000 at year end, down from $60,945,000 outstanding at the end of 2017. Outstanding debt at the end of 2018 consists of $7,135,000 in a refunding note (issued to refund the 2006 sales and use tax revenue bonds), $34,190,000 in certificates of participation (issued to construct the Police Station and PACE Center) and $16,515,000 in certificates of participation (issued to construct the Public Works Facility and expansion of the Recreation Center).

- At the end of 2018, the Town's governmental funds reported combined fund balances of $67.7 million, an increase of $16.2 million from the prior year. This combined increase in fund balance is the result of increased revenues related to taxes, contributions, and grants compared to 2017.

- At the end of 2018, the unassigned fund balance of the General Fund was $14.5 million, which is 31 percent of total General Fund expenditures. The Town's fund balance policy for 2018 requires a 25.0 percent ratio between total cash and the total General Fund expenditures. The ratio at the end of 2018 was 46.6 percent, well within the policy.

- Major capital asset events that occurred in 2018 include $1.0 million for lighting intersections along Jordan Road, $1.0 million to eliminate a gap in sidewalks, and $1.5 million for channel and bank grading along Lemon Gulch.

## 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 (P3) 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 and appoints the board members.

The government-wide financial statements can be found on pages 48 and 49 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 50-60 of this report.

The Town adopts an annual appropriated budget for all funds, except agency 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 61-63 of this report.

**Agency funds.** Agency funds are used to account for resources held for the benefit of parties outside of the Town. Agency 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 agency funds is much like that used for proprietary funds.

The basic agency fund financial statement can be found on page 64 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 65-92 of this report.

### Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplemental information concerning budgetary reporting and the net pension liability (asset) and related contributions. These schedules can be found on pages 95-96 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 100-125 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 and deferred outflows minus liabilities and deferred inflows of resources) at the end of 2018 with a comparison to 2017. As of December 31, 2018, the Town had total assets of $745 million compared to $731 million in 2017 and at the end of 2018, the value of the Town's total net position was $674 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 | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Current and other assets | $ 84,592 | $ 70,446 | $ 5,078 | $ 4,797 | $ 89,670 | $ 75,243 |
| Capital assets | 644,392 | 646,295 | 11,022 | 9,776 | 655,414 | 656,071 |
| Total assets | 728,984 | 716,741 | 16,100 | 14,573 | 745,084 | 731,314 |
| Total deferred outflows of resource | 1,838 | 2,140 | - | - | 1,838 | 2,140 |
| Long-term liabilities outstanding | 60,500 | 64,511 | 61 | 55 | 60,561 | 64,566 |
| Other liabilities | 9,683 | 12,444 | 175 | 203 | 9,858 | 12,647 |
| Total liabilities | 70,183 | 76,955 | 236 | 258 | 70,420 | 77,213 |
| Total deferred inflows of resources | 2,583 | 1,795 | - | - | 2,583 | 1,795 |
| Net position: | | | | | | |
| Net investment in capital assets | 585,753 | 584,844 | 11,022 | 9,776 | 596,775 | 594,620 |
| Restricted | 38,681 | 28,746 | 712 | 725 | 39,393 | 29,471 |
| Unrestricted | 33,622 | 26,258 | 4,129 | 3,813 | 37,752 | 30,071 |
| Total net position | $ 658,056 | $ 639,848 | $ 15,864 | $ 14,314 | $ 673,920 | $ 654,162 |

By far, the largest portion of the Town's assets is capital assets, which total $655 million or 88.0 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 $3,105,000. Additionally, of the Town's $674 million in net position, $39.4 million or 5.8 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $37.8 million or 5.6 percent, may be used to meet the Town's ongoing obligations to citizens and creditors.

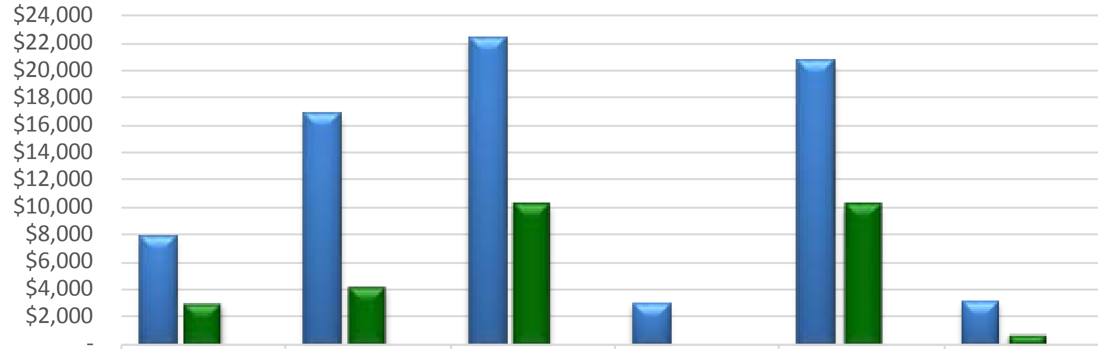
**Governmental Activities**
Table 2 - Changes in Net Position (below), illustrates total Town revenues and expenses in 2018 compared to 2017 for Governmental Activities and Business-type Activities. Total governmental activities revenues increased approximately $7.8 million from $84.1 million in 2017 to $91.9 million in 2018. Capital contributions increased $4.0 million in 2018 compared to 2017. 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 $2.3 million and charges for services increased $0.5 million. Total governmental activities expenses decreased $1.7 million from $75.3 million in 2017 to $74.0 million in 2018. Most of the decrease is related to public safety expenses due to the increase in the net pension asset during 2018 compared to a net pension liability in 2017.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** |
| **Revenues** | | | | | | |
| **Program revenues** | | | | | | |
| Charges for services | $ 14,927 | $ 14,462 | $ 2,316 | $ 2,154 | $ 17,243 | $ 16,616 |
| Operating grants and contributions | 2,026 | 1,636 | - | 25 | 2,026 | 1,661 |
| Capital grants and contributions | 11,468 | 7,516 | 729 | 636 | 12,197 | 8,152 |
| **General revenues** | | | | | | |
| Taxes | | | | | | |
| Sales and use | 47,684 | 45,359 | - | - | 47,684 | 45,359 |
| Property | 2,188 | 1,933 | - | - | 2,188 | 1,933 |
| Franchise | 1,012 | 1,006 | - | - | 1,012 | 1,006 |
| Excise – electric | 1,182 | 1,128 | - | - | 1,182 | 1,128 |
| Excise taxes – new development | 3,735 | 3,322 | - | - | 3,735 | 3,322 |
| Sales and use - county shareback | 3,182 | 3,009 | - | - | 3,182 | 3,009 |
| Road and bridge - county shareback | 1,662 | 1,483 | - | - | 1,662 | 1,483 |
| Highway users | 1,517 | 1,438 | - | - | 1,517 | 1,438 |
| Other General Revenues | 228 | 1,367 | - | - | 228 | 1,367 |
| Unrestricted investment earnings | 1,122 | 428 | 84 | 32 | 1,207 | 460 |
| Total revenues | 91,935 | 84,087 | 3,129 | 2,847 | 95,064 | 86,934 |
| **Expenses** | | | | | | |
| General government | 7,926 | 8,048 | - | - | 7,926 | 8,048 |
| Public safety | 16,845 | 18,288 | - | - | 16,845 | 18,288 |
| Highways and streets | 22,120 | 22,719 | - | - | 22,120 | 22,719 |
| Economic development | 3,013 | 2,737 | - | - | 3,013 | 2,737 |
| Culture and recreation | 20,923 | 20,305 | - | - | 20,923 | 20,305 |
| Interest on long-term debt | 3,125 | 3,170 | - | - | 3,125 | 3,170 |
| Stormwater | - | - | 1,355 | 1,344 | 1,355 | 1,344 |
| Total expenses | 73,952 | 75,267 | 1,355 | 1,344 | 75,307 | 76,611 |
| Excess/Deficiency of revenues over expenditures | 17,983 | 8,820 | 1,774 | 1,503 | 19,758 | 10,323 |
| **Contributions and transfers in / (transfers out)** | | | | | | |
| Transfers in / (transfers out) | 225 | 185 | (225) | (185) | - | - |
| Total contributions and transfers | 225 | 185 | (225) | (185) | - | - |
| Increase in net position | 18,208 | 9,005 | 1,549 | 1,318 | 19,758 | 10,323 |
| Net position – beginning | 639,848 | 630,843 | 14,315 | 12,997 | 654,163 | 643,840 |
| Net position – ending | $ 658,056 | $ 639,848 | $ 15,864 | $ 14,315 | $ 673,921 | $ 654,163 |

**Chart 4. 2018 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 | $7,926 | $16,845 | $22,345 | $3,013 | $20,698 | $3,124 |
| Program Revenues | $2,973 | $4,222 | $10,260 | - | $10,212 | $755 |
| Rev % of Exp | 38% | 25% | 46% | 0% | 49% | 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.

**CHART 5. REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES**

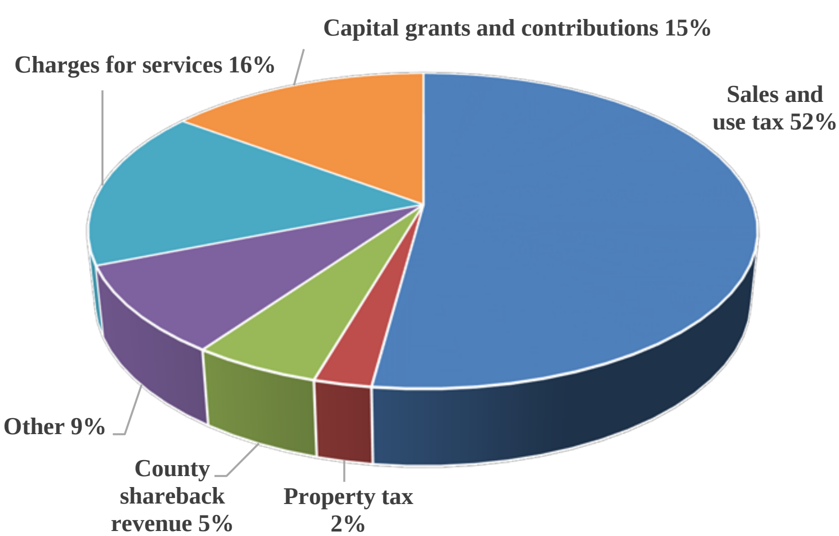


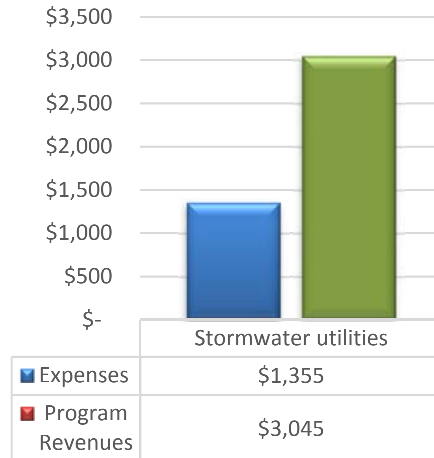

Chart 5 shows the primary sources of revenues that are used to finance governmental activities. As indicated, sales and use taxes are the primary source of revenue for the Town, accounting for 52 percent of the revenues in 2018. Property tax, on the other hand, represented only 2 percent of the Town's funding. Capital grants and contributions represented 15 percent of the revenue in 2018; 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 38), Stormwater Utility Fund net position increased $1.5 million. Overall revenues increased 9.9 percent or $0.3 million. The increase is related to an increase in charges for services. Expenditures increased 1 percent or $11,000.

As Chart 6 shows, stormwater revenues exceeded expenses for 2018, 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. 2018 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.

### Governmental funds

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

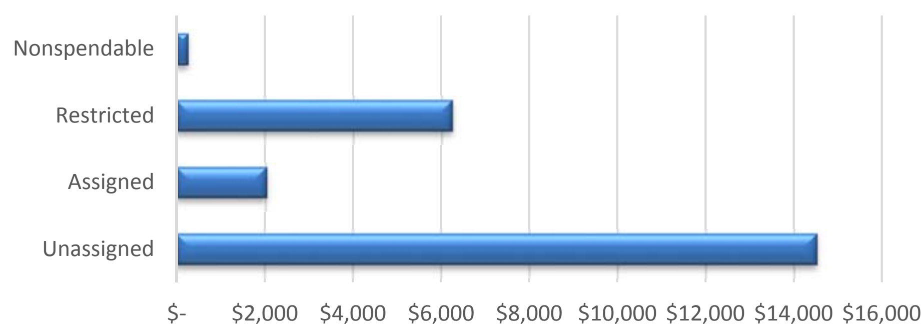
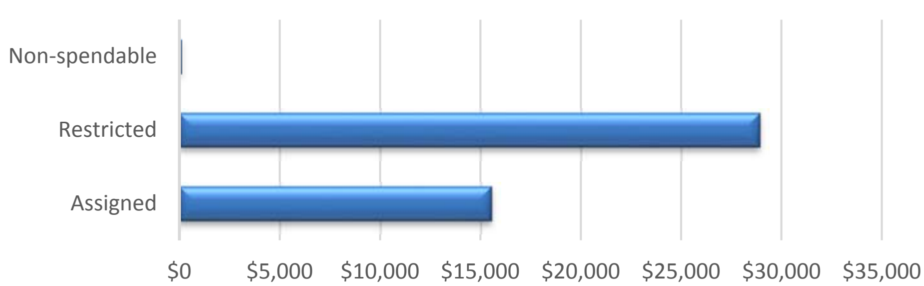



**Chart 8. Other Governmental Funds Components of Fund Balance (in thousands)**




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 2018, the Town's governmental funds reported combined fund balances of $67.7 million, an increase of $16.2 million in comparison to the prior year. Approximately 21.5 percent of this amount ($14.5 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 ($0.4 million), 2) restricted for particular purposes ($35.2 million), or 3) assigned for particular purposes ($17.6 million).

*General Fund.* The General Fund is the chief operating fund of the Town. At the end of 2018, unassigned fund balance of the general fund was $14.5 million, while total fund balance was $23.1 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 31 percent of total General Fund expenditures, while total fund balance represents approximately 49 percent of the same amount.

**Chart 9a. 2018 General Fund Revenue**

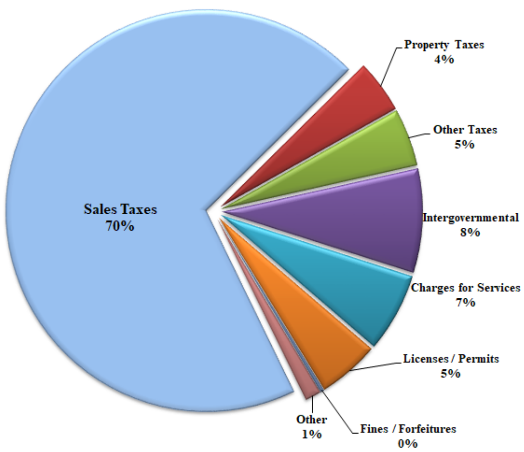
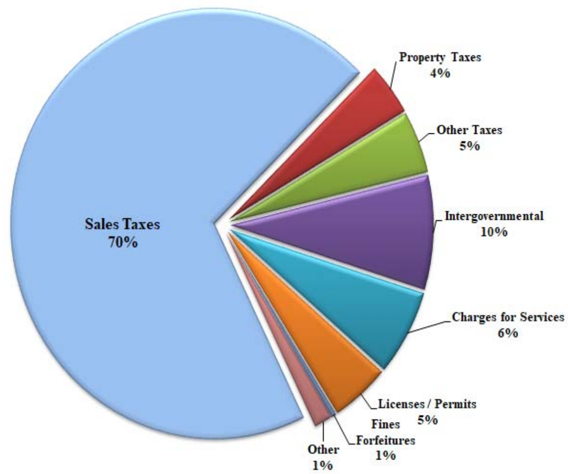



**Chart 9b. 2017 General Fund Revenue**




The fund balance of the General Fund increased $3.6 million in 2018. Revenues increased in 2018, primarily due to the increase in sales and use tax. Total expenditures decreased, specifically there was a decrease in transfers out of the general fund. Unassigned fund balance in the General Fund, which is neither restricted nor non-spendable, is 35.2 percent of expenditures. The Town's policy is the fund balance must maintain three months of expenditures or a 25.0 percent ratio between total fund balance and total General Fund expenditures, including transfers out. The fund balance is very healthy; however, it will decline due to planned, one-time expenditures resulting in expenditures in excess of revenues in 2019.

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 2017, taxes were the largest source of revenue at 79 percent of total General Fund revenues. Sales tax, which increased from $34.3 million to $35.8 million or 4.12 percent, makes up 89 percent of those taxes, as well as 70 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 $9.3 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 increased $1.7 million when comparing 2017 to 2018 due to decreased capital outlay expenditures because major projects were completed in 2017.

*Cultural Fund.* The Cultural Fund accounts for the operations of the PACE Center and Schoolhouse. It is classified as a major fund for the Scientific Cultural Facilities District (SCFD) Tier II grant requirements. The fund ended the current year with a total fund balance of $1.5 million, consisting of $55,165 of nonspendable fund balance for prepaid items such as future year marketing and deposits for major productions, and $1.5 million of assigned fund balance. Fund balance increased $0.5 million when comparing 2017 to 2018 due to an increase in ticket revenue.

*Recreation Fund.* The Recreation Fund, also a major fund, ended the current year with a total fund balance of $2.3 million, consisting of $38,836 of nonspendable fund balance for prepaid items such as insurance premiums, $57,000 restricted fund balance from developer contributions, and $2.2 million of assigned fund balance. Fund balance increased by $262,644 which is higher than 2017 due to a decrease in capital outlay for the fund.

*Public Improvements Fund.* The Public Improvements Fund, also a major fund, ended the current year with a total fund balance of $21.5 million, consisting of $9.6 million restricted fund balance and $11.9 million assigned fund balance. Restricted fund balance consists primarily of funds 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, increased $7.5 million. It is anticipated the fund balance will increase in the following year due to several upcoming large road projects that will require sizable funding levels.

*Excise Tax Fund.* The Excise Tax Fund, also a major fund, ended the current year with a total fund balance of $8.3. The entire fund balance for the Excise Tax fund is restricted for streets, parks, recreation and facilities. Fund balance increased $1.9 million when comparing 2017 to 2018. Of the total revenue in the fund of $3.9 million, $1.9 was transferred to other funds for capital related activity.

**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 2018, the General Fund's original budgeted expenditures and other financing uses of $54.3 million decreased $0.8 million (1.5 percent) to a final amended budget of $53.5 million. The decrease is primarily due to re-appropriated funds for capital outlay offset by decreased transfer to the cultural fund.

A total of $49.5 million was actually spent compared to a final budget of $53.5 million. Of the $4.0 million budget-to-actual variance, $2.2 million will be re-appropriated in 2019 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 2018 original and final budgets to actual expenditures.

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

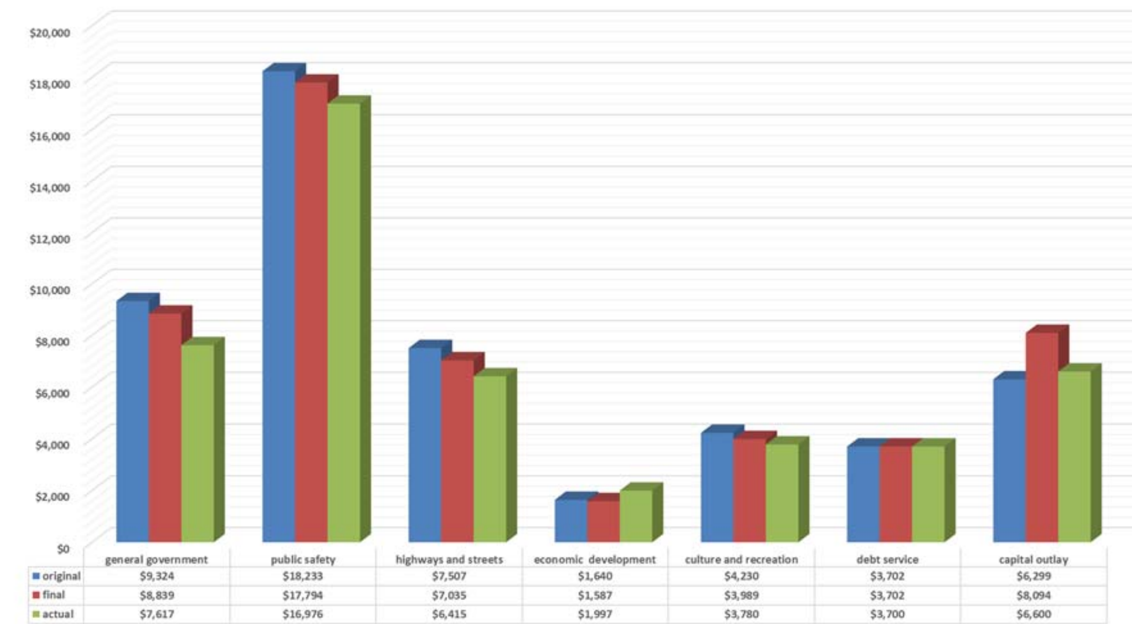



**Table 3. Town Capital Assets (net of depreciation)**
**(in thousands)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** |
| Land | $ 92,733 | $ 91,628 | $ - | $ - | $ 92,733 | $ 91,628 |
| Intangible assets | 257,668 | 258,130 | - | - | 257,668 | 258,130 |
| Construction in progress | 11,890 | 21,899 | 1,650 | 610 | 13,539 | 22,509 |
| Buildings | 70,451 | 74,297 | - | - | 70,451 | 74,297 |
| Improvements other than buildings | 42,687 | 40,329 | - | - | 42,687 | 40,329 |
| Machinery and equipment | 7,344 | 7,240 | 10 | 15 | 7,354 | 7,255 |
| Infrastructure | 161,620 | 152,771 | 9,362 | 9,151 | 170,982 | 161,922 |
| Total | $ 643,392 | $ 646,294 | $ 11,022 | $ 9,776 | $ 655,414 | $ 656,070 |

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

Table 3 illustrates the Town's capital assets (net of depreciation). At the end of 2018, the Town had $655.4 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 decrease of $0.7 million (0.1 percent) over last year.

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

- $1.0 million for lighting intersections along Jordan Road.
- $1.0 million to eliminate a gap in sidewalks.
- $1.5 million for channel and bank grading along Lemon Gulch.

Additional information on the Town's capital assets can be found in Note 4B to the financial statements on pages 79-80 of this report.

**Long-term Debt**

At the end of 2018, the Town had total outstanding debt of $57,840,000 down from $60,945,000 outstanding at the end of 2017. This outstanding debt consists of $7,135,000 in a refunding note with pledged sales and use tax revenue for repayment, $34,190,000 in certificates of participation, in which the new Police Station and PACE Center serve as collateral and $16,515,000 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 $3,105,000 during the current fiscal year due to principal payments of $1,390,000 on the 2009 certificates of participation, $780,000 on the 2014 certificates of participation, and $935,000 on the 2015 refunding note of the 2006 sales and use tax bonds.

**Town Outstanding Debt**

| | 2018 | 2017 |
|---|---|---|
| Sales and Use Tax Revenue Refunding Note Series 2015 | $ 7,135,000 | $ 8,070,000 |
| Certificates of Participation, Series 2009 | 34,190,000 | 35,580,000 |
| Certificates of Participation, Series 2014 | 16,515,000 | 17,295,000 |
| Total | $ 57,840,000 | $ 60,945,000 |

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 82 of this report presents more detailed information about the debt position of the Town.

## ECONOMIC FACTORS AND THE 2018 BUDGET

The local economy continues to grow as evidenced by the increased collection of sales and use tax dollars; building permits and the number of business licenses issued by the Town also indicate a strong local economy.

While the Town has experienced a strong sales tax growth rate for several years, that growth rate has been slowing. The decline accelerated in 2018 which resulted in the need to formally reduce the 2018 budgeted revenue and appropriations in order to maintain the alignment amongst revenue, appropriations, and cash balance.

The exact drivers of the declining growth rate are difficult to specifically identify. While the growth in internet sales is thought to contribute to some degree, the Town does collect from approximately fifteen internet-based retailers and one of those is in the top twenty remitters, other drivers are also impacting the growth rate. The increased cost of housing in the Town, both home prices and rental rates, along with the high levels of education debt are believed to also have a major impact.

The sales tax growth rate has maintained a fairly consistent rate since the end of 2018.

The budget was built on more of a zero-based approach than an incremental approach. Expenditure increases that were increased incrementally are tied to projected inflation and population growth. The Town was able to continue to provide significant funding for maintenance of the Town's roadway infrastructure and for replacement of aging or outdated equipment. The budget also includes funding that maintains levels of service in areas including streets, public safety, parks and recreation. 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 2019 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.

## 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.

# BASIC FINANCIAL STATEMENTS

PARKER
COLORADO

# TOWN OF PARKER, COLORADO
## Government-wide
## Statement of Net Position
## December 31, 2018

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Equity in pooled cash and investments | $ 65,140,999 | $ 4,945,600 | $ 70,086,599 |
| Cash and investments | 2,622,863 | - | 2,622,863 |
| Restricted assets | | | |
| Cash and investments held in escrow by trustee | 3,778,098 | - | 3,778,098 |
| Net pension asset | 1,435,080 | - | 1,435,080 |
| Receivables (net of allowance for uncollectibles) | 9,986,941 | 122,327 | 10,109,268 |
| Inventories | 52,364 | - | 52,364 |
| Prepaid items | 1,575,626 | 10,418 | 1,586,044 |
| Capital assets (net of accumulated depreciation) | | | |
| Land | 92,732,718 | - | 92,732,718 |
| Intangible assets | 257,667,920 | - | 257,667,920 |
| Construction in progress | 11,889,865 | 1,649,551 | 13,539,416 |
| Buildings | 70,451,007 | - | 70,451,007 |
| Improvements other than buildings | 42,686,710 | - | 42,686,710 |
| Machinery and equipment | 7,343,865 | 10,115 | 7,353,980 |
| Infrastructure | 161,619,747 | 9,362,444 | 170,982,191 |
| Total assets | 728,983,803 | 16,100,455 | 745,084,258 |
| **DEFERRED OUTFLOW OF RESOURCES** | | | |
| Related to pensions | 1,838,474 | - | 1,838,474 |
| **LIABILITIES** | | | |
| Accounts payable and other current liabilities | 7,592,089 | 175,279 | 7,767,368 |
| Accrued interest payable | 503,827 | - | 503,827 |
| Unearned revenue | 1,587,100 | - | 1,587,100 |
| Non-current liabilities | | | |
| Due within one year | 4,308,439 | 30,587 | 4,339,026 |
| Due in more than one year | 56,191,594 | 30,587 | 56,222,181 |
| Total liabilities | 70,183,049 | 236,453 | 70,419,502 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Related to pensions | 547,664 | - | 547,664 |
| Property tax revenues | 2,035,506 | - | 2,035,506 |
| Total deferred inflow of resources | 2,583,170 | - | 2,583,170 |
| **NET POSITION** | | | |
| Net investment in capital assets | 585,752,845 | 11,022,110 | 596,774,955 |
| Restricted for: | | | |
| Emergencies | 2,289,000 | - | 2,289,000 |
| Parks, recreation and open space purposes | 9,743,914 | - | 9,743,914 |
| Law enforcement purposes | 161,103 | - | 161,103 |
| Cultural | 22,461 | - | 22,461 |
| Highways and streets capital projects | 9,775,717 | - | 9,775,717 |
| Streets, parks, recreation and facilities | 8,344,453 | - | 8,344,453 |
| Stormwater capital projects | - | 712,396 | 712,396 |
| Economic development | 1,127,995 | - | 1,127,995 |
| Pensions | 2,725,890 | - | 2,725,890 |
| Future retirement contributions | 110,886 | - | 110,886 |
| Future development | 1,105,355 | - | 1,105,355 |
| Debt service | 3,274,271 | - | 3,274,271 |
| Unrestricted | 33,622,168 | 4,129,496 | 37,751,664 |
| Total net position | $ 658,056,058 | $ 15,864,002 | $ 673,920,060 |

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

# TOWN OF PARKER, COLORADO
## Government-wide
## Statement of Activities
## Year Ended December 31, 2018

| | | 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 | $ 7,926,193 | $ 2,677,116 | $ 296,157 | $ - | $ (4,952,920) | $ - | $ (4,952,920) |
| Public safety | 16,844,948 | 3,449,530 | 772,140 | - | (12,623,278) | - | (12,623,278) |
| Highways and streets | 22,119,916 | - | - | 10,259,904 | (11,860,012) | - | (11,860,012) |
| Economic development | 3,012,606 | - | - | - | (3,012,606) | - | (3,012,606) |
| Culture and recreation | 20,922,780 | 8,800,811 | 958,074 | 452,801 | (10,711,094) | - | (10,711,094) |
| Interest on long-term debt | 3,124,394 | - | - | 754,935 | (2,369,459) | - | (2,369,459) |
| Total governmental activities | 73,950,837 | 14,927,457 | 2,026,371 | 11,467,640 | (45,529,369) | - | (45,529,369) |
| **Business-type activities** | | | | | | | |
| Stormwater utilities | 1,354,836 | 2,315,726 | - | 729,118 | - | 1,690,008 | 1,690,008 |
| Total primary government | $ 75,305,673 | $ 17,243,183 | $ 2,026,371 | $ 12,196,758 | | | |
| **GENERAL REVENUES** | | | | | | | |
| Taxes | | | | | | | |
| Sales and use | | | | | 47,684,424 | - | 47,684,424 |
| Property | | | | | 2,187,893 | - | 2,187,893 |
| Franchise | | | | | 1,012,200 | - | 1,012,200 |
| Excise - electric | | | | | 1,182,279 | - | 1,182,279 |
| Excise - new development | | | | | 3,735,299 | - | 3,735,299 |
| Sales and use - county shareback | | | | | 3,182,342 | - | 3,182,342 |
| Road and bridge - county shareback | | | | | 1,661,505 | - | 1,661,505 |
| Highway users | | | | | 1,517,429 | - | 1,517,429 |
| Other | | | | | 227,877 | - | 227,877 |
| Unrestricted investment earnings | | | | | 1,122,493 | 84,210 | 1,206,703 |
| Total general revenues | | | | | 63,513,741 | 84,210 | 63,597,951 |
| Transfers in / (transfers out) | | | | | 224,785 | (224,785) | - |
| Total general revenues, contributions and transfers | | | | | 63,738,526 | (140,575) | 63,597,951 |
| Change in net position | | | | | 18,209,157 | 1,549,433 | 19,758,590 |
| Net position - January 1 | | | | | 639,846,901 | 14,314,569 | 654,161,470 |
| Net position - December 31 | | | | | $ 658,056,058 | $ 15,864,002 | $ 673,920,060 |

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

# TOWN OF PARKER, COLORADO
## Governmental Funds
## Balance Sheet
## December 31, 2018

| | | General | | Parks and Recreation | | Cultural |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Equity in pooled cash and investments | $ | 16,846,889 | $ | 8,609,516 | $ | 2,229,868 |
| Cash and investments | | 2,450 | | - | | 3,200 |
| Investment held in escrow by trustee | | 3,777,061 | | - | | - |
| Receivables | | | | | | |
| Investment earnings | | 14,351 | | 6,639 | | 1,541 |
| Taxes - property tax | | 2,035,506 | | - | | - |
| Taxes - sales tax | | 3,869,861 | | 772,680 | | - |
| Accounts (net of allowance for uncollectibles) | | 1,562,345 | | 21 | | 7,282 |
| Intergovernmental | | 348,334 | | 100,000 | | 151,759 |
| Deposits | | 41,897 | | - | | - |
| Prepaid items | | 254,507 | | 764 | | 55,165 |
| Total assets | $ | 28,753,201 | $ | 9,489,620 | $ | 2,448,815 |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ | 2,114,366 | $ | 115,312 | $ | 219,221 |
| Retainage payable | | 18,166 | | 8,186 | | - |
| Intergovernmental payable | | 268,707 | | - | | 5,025 |
| Other current liabilities | | 497,139 | | 29,058 | | 89 |
| Deposits | | 664,061 | | - | | 38,125 |
| Unearned revenue | | 72,000 | | 6,670 | | 491,617 |
| Total liabilities | | 3,634,439 | | 159,226 | | 754,077 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable resources | | - | | - | | 151,759 |
| Property tax revenues | | 2,035,506 | | - | | - |
| Total deferred inflow of resources | | 2,035,506 | | - | | 151,759 |
| **FUND BALANCES** | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | | 254,507 | | 764 | | 55,165 |
| Restricted: | | | | | | |
| Emergencies | | 2,289,000 | | - | | - |
| Parks, recreation and open space | | 167,415 | | 9,329,630 | | - |
| Law enforcement | | 20,047 | | - | | - |
| Highways and streets | | - | | - | | - |
| Streets, parks, recreation and facilities | | - | | - | | - |
| Economic development | | - | | - | | - |
| Debt service | | 3,777,061 | | - | | - |
| Assigned: | | | | | | |
| Culture | | - | | - | | 1,487,814 |
| Fundraising | | - | | - | | - |
| Parks, recreation and open space | | - | | - | | - |
| Police Station/PACE Center construction | | 1,630,144 | | - | | - |
| Highways and streets | | 407,536 | | - | | - |
| Unassigned | | 14,537,546 | | - | | - |
| Total fund balances | | 23,083,256 | | 9,330,394 | | 1,542,979 |
| Total liabilities, deferred inflows of resources, and fund balances | $ | 28,753,201 | $ | 9,489,620 | $ | 2,448,815 |

(continued)

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

# TOWN OF PARKER, COLORADO
## Governmental Funds
## Balance Sheet
## December 31, 2018

| Recreation | Public Improvements | Excise Tax | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| $ 3,370,170 | $ 22,049,078 | $ 8,337,948 | $ 666,927 | $ 62,110,396 |
| 4,900 | - | - | 2,501,427 | 2,511,977 |
| - | 1,037 | - | - | 3,778,098 |
| 2,460 | 21,820 | 6,505 | 516 | 53,832 |
| - | - | - | - | 2,035,506 |
| - | - | - | - | 4,642,541 |
| 248,638 | 33,592 | - | 1,374 | 1,853,252 |
| - | 712,822 | - | - | 1,312,915 |
| - | - | - | - | 41,897 |
| 38,836 | - | - | 8,882 | 358,154 |
| $ 3,665,004 | $ 22,818,349 | $ 8,344,453 | $ 3,179,126 | $ 78,698,568 |
| $ 381,126 | $ 929,626 | $ - | $ 1,168,897 | $ 4,928,548 |
| 2,035 | 295,470 | - | - | 323,857 |
| 1,214 | - | - | - | 274,946 |
| - | 132,332 | - | 317,653 | 976,271 |
| - | - | - | - | 702,186 |
| 1,016,537 | - | - | - | 1,586,824 |
| 1,400,912 | 1,357,428 | - | 1,486,550 | 8,792,632 |
| - | - | - | - | 151,759 |
| - | - | - | - | 2,035,506 |
| - | - | - | - | 2,187,265 |
| 38,836 | - | - | 8,882 | 358,154 |
| - | - | - | - | 2,289,000 |
| 57,000 | - | - | 189,869 | 9,743,914 |
| - | - | - | 141,056 | 161,103 |
| - | 9,569,694 | - | 206,023 | 9,775,717 |
| - | - | 8,344,453 | - | 8,344,453 |
| - | - | - | 1,127,995 | 1,127,995 |
| - | 1,037 | - | - | 3,778,098 |
| - | - | - | - | 1,487,814 |
| - | - | - | 18,751 | 18,751 |
| 2,168,256 | - | - | - | 2,168,256 |
| - | - | - | - | 1,630,144 |
| - | 11,890,190 | - | - | 12,297,726 |
| - | - | - | - | 14,537,546 |
| 2,264,092 | 21,460,921 | 8,344,453 | 1,692,576 | 67,718,671 |
| $ 3,665,004 | $ 22,818,349 | $ 8,344,453 | $ 3,179,126 | $ 78,698,568 |

(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, 2018**

| | |
|---|---|
| Total governmental fund balances | $ 67,718,671 |
| **Amounts reported for governmental activities in the statement of net position are different because:** | |
| Water credits held to be exhanged for future water taps used in governmental activities are not financial resources and are therefore not reported in the governmental fund balance sheet. | 1,105,355 |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental fund balance sheet. | 639,066,535 |
| Net pension asset in governmental activites is not a financial resource and is therefore not reported in the governmental fund balance sheet. | 1,435,080 |
| Retirement forfeiture funds are not financial resources and are therefore not reported in the governmental fund balance sheet. | 110,886 |
| 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. | 7,962,016 |
| Deferred inflows related to revenue that is not received within 60 days after the end of the year are considered unavailable revenue and therefore are not reported in the governmental funds balance sheet. | 151,759 |
| Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds | (547,664) |
| Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds | 1,838,474 |
| 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. | (60,785,054) |
| Net position of governmental activities (page 46) | $ 658,056,058 |

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
## For the Year Ended December 31, 2018

| | General | Parks and Recreation | Cultural |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | | | |
| Sales and use | $ 35,753,563 | $ 7,886,178 | $ - |
| Property | 2,187,893 | - | - |
| Franchise | 1,012,200 | - | - |
| Electric excise | 1,182,279 | - | - |
| Excise tax - new development | - | - | - |
| Other | 171,330 | - | - |
| Intergovernmental | 4,278,258 | - | 496,368 |
| Charges for services | 3,245,383 | - | 2,791,332 |
| Licenses and permits | 2,541,078 | - | - |
| Fines and forfeitures | 157,075 | - | - |
| Contributions | 144,873 | 108,887 | 209,284 |
| Net investment earnings | 397,077 | 124,948 | 25,463 |
| Miscellaneous | 114,016 | 27,911 | 39,711 |
| Total revenues | 51,185,025 | 8,147,924 | 3,562,158 |
| **EXPENDITURES** | | | |
| Current | | | |
| General government | 7,616,810 | - | - |
| Public safety | 16,975,635 | - | - |
| Highways and streets | 6,414,630 | - | - |
| Culture and recreation | 3,780,435 | 1,006,412 | 4,777,118 |
| Economic development | 1,997,163 | 16,465 | - |
| Building | - | - | - |
| Debt service | | | |
| Principal | 1,390,000 | - | - |
| Interest | 2,309,375 | - | - |
| Fiscal charges | 500 | - | - |
| Capital outlay | 6,600,170 | 787,353 | 437,512 |
| Total expenditures | 47,084,718 | 1,810,230 | 5,214,630 |
| Excess (deficiency) of revenues over (under) expenditures | 4,100,307 | 6,337,694 | (1,652,472) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 1,853,304 | 375,000 | 2,110,255 |
| Transfers out | (2,442,226) | (5,048,282) | - |
| Proceeds from sale of capital assets | 12,094 | - | - |
| Insurance recoveries | 56,547 | - | - |
| Total other financing sources (uses) | (520,281) | (4,673,282) | 2,110,255 |
| Net change in fund balances | 3,580,026 | 1,664,412 | 457,783 |
| Fund balances - January 1 | 19,503,230 | 7,665,982 | 1,085,196 |
| Fund balances - December 31 | $ 23,083,256 | $ 9,330,394 | $ 1,542,979 |

(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
## For the Year Ended December 31, 2018

| Recreation | Public Improvements | Excise Tax | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| $ - | $ 4,044,683 | $ - | $ - | $ 47,684,424 |
| - | - | - | - | 2,187,893 |
| - | - | - | - | 1,012,200 |
| - | - | - | - | 1,182,279 |
| - | - | 3,735,299 | - | 3,735,299 |
| - | - | - | - | 171,330 |
| 15,000 | 4,359,342 | - | 2,285,093 | 11,434,061 |
| 5,915,515 | - | - | - | 11,952,230 |
| - | - | - | - | 2,541,078 |
| - | - | - | 65,706 | 222,781 |
| - | 4,397,522 | - | - | 4,860,566 |
| 53,968 | 342,128 | 120,592 | 11,660 | 1,075,836 |
| 26,342 | 190 | - | 3,953 | 212,123 |
| 6,010,825 | 13,143,865 | 3,855,891 | 2,366,412 | 88,272,100 |
| | | | | |
| - | - | - | - | 7,616,810 |
| - | - | - | 65,898 | 17,041,533 |
| - | 2,196,528 | - | - | 8,611,158 |
| 7,919,586 | - | - | 10,147 | 17,493,698 |
| - | 23,861 | - | 975,117 | 3,012,606 |
| - | 112,202 | - | - | 112,202 |
| | | | | |
| - | - | - | 1,715,000 | 3,105,000 |
| - | - | - | 812,519 | 3,121,894 |
| - | - | - | 2,000 | 2,500 |
| 112,315 | 4,843,146 | - | 148,518 | 12,929,014 |
| 8,031,901 | 7,175,737 | - | 3,729,199 | 73,046,415 |
| | | | | |
| (2,021,076) | 5,968,128 | 3,855,891 | (1,362,787) | 15,225,685 |
| | | | | |
| 2,283,720 | 1,546,839 | - | 2,529,519 | 10,698,637 |
| - | - | (1,946,839) | (375,000) | (9,812,347) |
| - | - | - | - | 12,094 |
| - | - | - | - | 56,547 |
| 2,283,720 | 1,546,839 | (1,946,839) | 2,154,519 | 954,931 |
| | | | | |
| 262,644 | 7,514,967 | 1,909,052 | 791,732 | 16,180,616 |
| | | | | |
| 2,001,448 | 13,945,954 | 6,435,401 | 900,844 | 51,538,055 |
| $ 2,264,092 | $ 21,460,921 | $ 8,344,453 | $ 1,692,576 | $ 67,718,671 |



(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, 2018

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

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ 16,180,616 |
| 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. | (4,603,938) |
| The net effect of various miscellaneous transactions involving capital assets and inventory (i.e. sales, trade-ins, and donations) is to increase net position. | 2,726,939 |
| 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. | 3,105,000 |
| Some expenses and revenue 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. | (755) |
| Capital assets transferred from Governmental Funds to the Fleet Internal Service Fund are not considered revenue in the Government-wide statement. | (296,157) |
| Deferred inflows related to revenue that is not received within 60 days after the end of the year are considered unavailable revenue and therefore are not reported in the governmental funds balance sheet. | (16,337) |
| 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. | 78,125 |
| Net pension liability 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 income | 1,035,664 |
| Change in net position - governmental activities (page 47) | $ 18,209,157 |

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, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Taxes | | | | |
| Sales | $ 38,354,610 | $ 33,665,212 | $ 35,753,563 | $ 2,088,351 |
| Property | 2,179,400 | 2,179,400 | 2,187,893 | 8,493 |
| Franchise | 1,015,520 | 1,015,520 | 1,012,200 | (3,320) |
| Electric excise | 1,133,000 | 1,133,000 | 1,182,279 | 49,279 |
| Other | 165,830 | 165,830 | 171,330 | 5,500 |
| Licenses and permits | | | | |
| Building | 2,271,150 | 2,271,150 | 2,297,783 | 26,633 |
| Other | 158,760 | 158,760 | 243,295 | 84,535 |
| Intergovernmental | | | | |
| Highway users taxes | 1,184,500 | 1,184,500 | 1,111,618 | (72,882) |
| County road and bridge shareback | 1,545,000 | 1,545,000 | 1,661,505 | 116,505 |
| Other | 1,732,716 | 1,561,590 | 1,505,135 | (56,455) |
| Charges for services | 2,971,787 | 3,480,387 | 3,245,383 | (235,004) |
| Fines and forfeitures | 197,313 | 197,313 | 157,075 | (40,238) |
| Contributions | 10,000 | 10,000 | 144,873 | 134,873 |
| Net investment earnings | 146,300 | 146,300 | 397,077 | 250,777 |
| Miscellaneous | 86,000 | 86,000 | 114,016 | 28,016 |
| Total revenues | 53,151,886 | 48,799,962 | 51,185,025 | 2,385,063 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| General government | | | | |
| Elected officials | 169,189 | 151,122 | 144,333 | 6,789 |
| Town clerk and elections | 434,854 | 384,991 | 337,367 | 47,624 |
| Municipal court | 391,373 | 374,718 | 333,869 | 40,849 |
| Town administrator | 822,291 | 507,626 | 480,197 | 27,429 |
| Finance | 1,529,869 | 1,448,965 | 1,318,348 | 130,617 |
| Legal services | 724,143 | 795,872 | 791,330 | 4,542 |
| Human resources | 913,209 | 819,347 | 652,305 | 167,042 |
| Risk management | 377,323 | 372,168 | 363,955 | 8,213 |
| Community development | 1,590,531 | 1,892,751 | 1,351,121 | 541,630 |
| Communications | 1,063,588 | 894,123 | 814,277 | 79,846 |
| Buildings and plant | 476,300 | 469,400 | 455,805 | 13,595 |
| Customer service | 158,907 | 154,492 | 136,225 | 18,267 |
| Interdepartmental | 672,805 | 573,829 | 437,678 | 136,151 |
| Total general government | 9,324,382 | 8,839,404 | 7,616,810 | 1,222,594 |

(continued)

**TOWN OF PARKER, COLORADO**
**Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**
**General Fund**
**For the Year Ended December 31, 2018**

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| Public safety | | | | |
| Police | $ 16,162,556 | $ 15,784,519 | $ 15,100,069 | $ 684,450 |
| Building inspection | 1,614,956 | 1,656,062 | 1,577,405 | 78,657 |
| Community services | 371,437 | 266,805 | 246,423 | 20,382 |
| Emergency management | 83,650 | 86,400 | 51,738 | 34,662 |
| Total public safety | 18,232,599 | 17,793,786 | 16,975,635 | 818,151 |
| Highways and streets | 7,506,523 | 7,034,685 | 6,414,630 | 620,055 |
| Economic development | 1,639,865 | 1,587,159 | 1,997,163 | (410,004) |
| Parks, forestry and open space | 4,229,760 | 3,989,460 | 3,780,435 | 209,025 |
| Debt service | | | | |
| Principal | 1,390,000 | 1,390,000 | 1,390,000 | - |
| Interest | 2,309,375 | 2,309,375 | 2,309,375 | - |
| Fiscal charges | 2,500 | 2,500 | 500 | 2,000 |
| Total debt service | 3,701,875 | 3,701,875 | 3,699,875 | 2,000 |
| Capital outlay | 6,299,020 | 8,093,716 | 6,600,170 | 1,493,546 |
| Total expenditures | 50,934,024 | 51,040,085 | 47,084,718 | 3,955,367 |
| Deficiency of revenues over (under) expenditures | 2,217,862 | (2,240,123) | 4,100,307 | 6,340,430 |
| | | | | |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 1,253,298 | 1,853,298 | 1,853,304 | 6 |
| Transfers out | (3,359,777) | (2,441,937) | (2,442,226) | (289) |
| Proceeds from sale of capital assets | - | - | 12,094 | 12,094 |
| Insurance recoveries | - | - | 56,547 | 56,547 |
| Total other financing sources (uses) | (2,106,479) | (588,639) | (520,281) | 68,358 |
| | | | | |
| Net change in fund balance | 111,383 | (2,828,762) | 3,580,026 | 6,408,788 |
| Fund balance - January 1 | 17,059,735 | 19,503,230 | 19,503,230 | - |
| Fund balance - December 31 | $ 17,171,118 | $ 16,674,468 | $ 23,083,256 | $ 6,408,788 |

(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, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Taxes | | | | |
| Sales | $ 7,671,000 | $ 7,671,000 | $ 7,150,713 | $ (520,287) |
| Use | 532,000 | 532,000 | 735,465 | 203,465 |
| Intergovernmental | 1,900,000 | 1,900,000 | - | (1,900,000) |
| Contributions | - | - | 108,887 | 108,887 |
| Net investment earnings | 60,000 | 60,000 | 124,948 | 64,948 |
| Miscellaneous | 15,000 | 15,000 | 27,911 | 12,911 |
| Total revenues | 10,178,000 | 10,178,000 | 8,147,924 | (2,030,076) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Culture and recreation | 584,007 | 1,074,133 | 1,006,412 | 67,721 |
| Economic development | 73,000 | 73,000 | 16,465 | 56,535 |
| Capital outlay | 3,530,500 | 4,988,360 | 787,353 | 4,201,007 |
| Total expenditures | 4,187,507 | 6,135,493 | 1,810,230 | 4,325,263 |
| Excess of revenues over expenditures | 5,990,493 | 4,042,507 | 6,337,694 | 2,295,187 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 375,000 | 375,000 | 375,000 | - |
| Transfers out | (5,048,698) | (5,048,698) | (5,048,282) | 416 |
| Total other financing sources (uses) | (4,673,698) | (4,673,698) | (4,673,282) | 416 |
| Net change in fund balance | 1,316,795 | (631,191) | 1,664,412 | 2,295,603 |
| Fund balance - January 1 | 7,861,028 | 7,665,982 | 7,665,982 | - |
| Fund balance - December 31 | $ 9,177,823 | $ 7,034,791 | $ 9,330,394 | $ 2,295,603 |

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, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 391,500 | $ 475,500 | $ 496,368 | $ 20,868 |
| Charges for services | 2,264,480 | 2,749,125 | 2,791,332 | 42,207 |
| Contributions | 141,500 | 159,400 | 209,284 | 49,884 |
| Net investment earnings | 10,000 | 10,000 | 25,463 | 15,463 |
| Miscellaneous | 1,200 | 10,000 | 39,711 | 29,711 |
| | 2,808,680 | 3,404,025 | 3,562,158 | 158,133 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Culture | 4,868,023 | 4,913,148 | 4,777,118 | 136,030 |
| Capital outlay | 1,043,025 | 1,454,916 | 437,512 | 1,017,404 |
| Total expenditures | 5,911,048 | 6,368,064 | 5,214,630 | 1,153,434 |
| Excess (Deficiency) of revenues over (under) expenditures | (3,102,368) | (2,964,039) | (1,652,472) | 1,311,567 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 3,002,483 | 2,110,255 | 2,110,255 | - |
| Total other financing sources | 3,002,483 | 2,110,255 | 2,110,255 | - |
| Net change in fund balance | (99,885) | (853,784) | 457,783 | 1,311,567 |
| Fund balance - January 1 | 373,089 | 1,085,196 | 1,085,196 | - |
| Fund balance - December 31 | $ 273,204 | $ 231,412 | $ 1,542,979 | $ 1,311,567 |

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, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 20,000 | $ 20,000 | $ 15,000 | $ (5,000) |
| Charges for services | 5,834,700 | 5,899,700 | 5,915,515 | 15,815 |
| Net investment earnings | 15,000 | 15,000 | 53,968 | 38,968 |
| Miscellaneous | 5,000 | 5,000 | 26,342 | 21,342 |
| Total revenues | 5,874,700 | 5,939,700 | 6,010,825 | 71,125 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Culture and recreation | 8,440,745 | 8,438,086 | 7,919,586 | 518,500 |
| Capital outlay | 309,000 | 552,740 | 112,315 | 440,425 |
| Total expenditures | 8,749,745 | 8,990,826 | 8,031,901 | 958,925 |
| Excess (deficiency) of revenues over (under) expenditures | (2,875,045) | (3,051,126) | (2,021,076) | 1,030,050 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 2,208,900 | 2,283,720 | 2,283,720 | - |
| Net change in fund balance | (666,145) | (767,406) | 262,644 | 1,030,050 |
| Fund balance - January 1 | 1,524,786 | 2,001,448 | 2,001,448 | - |
| Fund balance - December 31 | $ 858,641 | $ 1,234,042 | $ 2,264,092 | $ 1,030,050 |

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, 2018

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Stormwater Utility | Internal Service Funds |
| **ASSETS** | | |
| Current | | |
| Equity in pooled cash and investments | $ 4,945,600 | $ 3,030,603 |
| Receivables | | |
| Investment earnings receivable | 3,835 | 2,274 |
| Accounts receivable | 118,492 | 44,724 |
| Prepaid items | 10,418 | 112,117 |
| Inventory | - | 52,364 |
| Total current assets | 5,078,345 | 3,242,082 |
| Non-current | | |
| Capital assets (net of accumulated depreciation) | | |
| Construction in progress | 1,649,551 | - |
| Infrastructure | 9,362,444 | 315,272 |
| Machinery and equipment | 10,115 | 4,906,354 |
| Improvements other than buildings | - | 103,671 |
| Net capital assets | 11,022,110 | 5,325,297 |
| Total assets | 16,100,455 | 8,567,379 |
| **LIABILITIES** | | |
| Current | | |
| Accounts payable and other current liabilities | 37,933 | 386,281 |
| Unearned revenue | - | 276 |
| Security deposits payable | 137,346 | - |
| Compensated absences | 61,174 | 218,806 |
| Total liabilities | 236,453 | 605,363 |
| **NET POSITION** | | |
| Investment in capital assets | 11,022,110 | 5,325,297 |
| Restricted for capital projects | 712,396 | - |
| Unrestricted | 4,129,496 | 2,636,719 |
| Total net position | $ 15,864,002 | $ 7,962,016 |

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, 2018

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Stormwater Utility | Internal Service Funds |
| **OPERATING REVENUES** | | |
| Charges for sales and services | $ 2,312,809 | $ 9,352,649 |
| Miscellaneous | 2,917 | 72,137 |
| Total operating revenues | 2,315,726 | 9,424,786 |
| **OPERATING EXPENSES** | | |
| Cost of sales and services | 1,126,337 | 7,819,651 |
| Depreciation | 228,499 | 1,307,208 |
| Total operating expenses | 1,354,836 | 9,126,859 |
| Operating income | 960,890 | 297,927 |
| **NON-OPERATING REVENUES** | | |
| Net investment earnings | 84,210 | 46,657 |
| Gain on disposal of property | - | 98,889 |
| Total non-operating revenues | 84,210 | 145,546 |
| Income before capital contributions and transfers | 1,045,100 | 443,473 |
| Capital contributions | 729,118 | 296,157 |
| Transfers in | 10,360 | 57,920 |
| Transfers out | (235,145) | (719,425) |
| Change in net position | 1,549,433 | 78,125 |
| Total net position - January 1 | 14,314,569 | 7,883,891 |
| Total net position - December 31 | $ 15,864,002 | $ 7,962,016 |

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, 2018

| | Business-type Activities | | Governmental Activities | |
|---|---|---|---|---|
| | Stormwater Utility | | Internal Service Funds | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from customers and users | $ | 2,308,632 | $ | 9,374,261 |
| Payments to suppliers | | (433,404) | | (7,901,653) |
| Payments to employees | | (689,426) | | 40,743 |
| Payments others | | (21,226) | | 56,016 |
| Net cash provided by operating activities | | 1,164,576 | | 1,569,367 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Receipt from sale of capital assets | | - | | 199,742 |
| Net Transfer In/(Out) | | (175,498) | | (710,792) |
| Purchases of capital assets | | (794,908) | | (1,332,622) |
| Net cash used by capital and related financing activities | | (970,406) | | (1,843,672) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Net investment earnings received | | 84,678 | | 47,325 |
| Net cash provided by investing activities | | 84,678 | | 47,325 |
| Net increase in equity in pooled cash and investments | | 278,848 | | (226,980) |
| Equity in pooled cash and investments - January 1 | | 4,666,752 | | 3,257,583 |
| Equity in pooled cash and investments - December 31 | $ | 4,945,600 | $ | 3,030,603 |
| **RECONCILATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES** | | | | |
| Operating income | $ | 960,890 | $ | 297,927 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | |
| Depreciation | | 228,499 | | 1,307,208 |
| Effects of changes in current assets and liabilities: | | | | |
| Accounts receivable | | (3,501) | | 21,336 |
| Unearned revenue | | (676) | | (15,845) |
| Inventory | | - | | (1,936) |
| Prepaid items | | 442 | | (25,404) |
| Accounts/retainage payable | | (27,641) | | (54,662) |
| Compensated absences and wages payable | | 6,563 | | 40,743 |
| Total adjustments | | 203,686 | | 1,271,440 |
| Net cash provided by operating activities | $ | 1,164,576 | $ | 1,569,367 |
| **NONCASH CAPITAL ACTIVITES:** | | | | |
| Contributions of capital assets | $ | 729,118 | $ | 345,444 |

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

**TOWN OF PARKER, COLORADO**
**Agency Funds**
**Statement of Fiduciary Net Position**
**December 31, 2018**

| | Agency Fund |
|---|---|
| **ASSETS** | |
| Equity in pooled cash and investments | $ 6,844,850 |
| **LIABILITIES** | |
| Security escrows | $ 6,844,850 |

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

**TOWN OF PARKER, COLORADO**
**Notes to the Financial Statements**
**December 31, 2018**

## 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, the Schoolhouse and Ruth Chapel, 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 expenditures, 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 of 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.

**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. Government pools are reported at net asset value and amortized costs.

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.

### 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 reports 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 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 outflows and deferred inflows 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 its 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.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds, other than the general fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

- 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 $60,566,020 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 | $ 7,135,000 |
| Certificates of participation series 2009 | 34,190,000 |
| Certificates of participation series 2014 | 16,515,000 |
| Underwriters discount | (50,017) |
| Premium | 525,147 |
| Accrued interest payable | 503,827 |
| Compensated absences | 1,966,097 |
| Net adjustment to reduce *fund balance – total governmental funds* to arrive at *net position – governmental activities* | $ 60,785,054 |

**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 $4,603,938 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 | $12,929,014 |
| Depreciation expense | (17,532,952) |
| Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* | $ 4,603,938 |

Details of the $2,726,939 for the net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) and contributed water credits is to decrease net position are as follows:

| | |
|---|---|
| Capital donations | $ 3,280,841 |
| Capital asset deletions net of accumulated depreciation | (553,902) |
| Net adjustment to decrease *net changes in fund balances total governmental funds* to arrive at *changes in net position of governmental activities* | $ 2,726,939 |

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 $3,105,000 item are as follows:

| | |
|---|---|
| Principal repayments: | |
| Revenue bonds | $ 935,000 |
| Certificates of participation series 2009 | 1,390,000 |
| Certificates of participation series 2014 | 780,000 |
| Net adjustment to increase *net changes in fund balances total governmental funds* to arrive at *changes in net position of governmental activities* | $ 3,105,000 |

Details of the $755 reconciliation element which states that "Some expenses and revenue 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 | $ (228) |
| Discount | (3,262) |
| Premium | 34,249 |
| Retirement forfeitures used for Town contributions | (49,743) |
| Interest | 18,229 |
| Net adjustment to decrease *net changes in fund balances total governmental funds* to arrive at *changes in net position of governmental activities* | $ (755) |

## 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, 2018, appropriations including transfers were amended as follows:

| Fund | Original Budget | Increase/ Decrease | Final Budget |
|---|---|---|---|
| General | $ 54,293,801 | $ (811,779) | $ 53,482,022 |
| Special Revenue | | | |
| Parks and Recreation | 9,236,205 | 1,947,986 | 11,184,191 |
| Cultural | 5,911,048 | 457,016 | 6,368,064 |
| Recreation | 8,749,745 | 241,081 | 8,990,826 |
| Capital Project | | | |
| Public Improvements | 5,515,000 | 10,917,638 | 16,432,638 |
| Internal Service | | | |
| Fleet Services | 2,419,216 | (124,394) | 2,294,822 |
| Technology Management | 3,556,087 | 822,408 | 4,378,495 |
| Facility Services | 990,700 | (13,924) | 976,776 |
| Enterprise | | | |
| Stormwater Utility | 3,842,252 | 222,481 | 4,064,733 |

## NOTE 4 DETAILED NOTES ON ALL FUNDS

### A. Cash deposits and investments

Cash deposits and investments are reflected on the December 31, 2018 Statements of Net Position as follows:

| | Governmental Activities | Business-type Activities | Agency Funds | Totals |
|---|---|---|---|---|
| Equity in pooled cash and investments | $ 65,140,999 | $ 4,945,600 | $ 6,844,850 | $ 76,931,449 |
| Cash and investments | 2,622,863 | - | - | 2,622,863 |
| Cash and investments held by trustee | 3,778,098 | - | - | 3,778,098 |
| | $ 71,541,960 | $ 4,945,600 | $ 6,844,850 | $ 83,332,410 |

| | Equity in Pool | Cash and Investments | Investments Held in Escrow | Totals |
|---|---|---|---|---|
| Cash on hand | $ - | $ 10,550 | $ - | $ 10,550 |
| Cash deposits | 8,382,494 | 2,612,313 | - | 10,994,807 |
| Investments | 68,548,955 | - | 3,778,098 | 72,327,053 |
| | $ 76,931,449 | $ 2,622,863 | $ 3,778,098 | $ 83,332,410 |

## 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, 2018, 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, 2018, the Town’s investment balances were as follows:

| | | | Maturities | | |
|---|---|---|---|---|---|
| **Sector** | **% of Total** | **Fair Value** | **Less than 1 year** | **1-3 years** | **3-5 years** |
| Agency | 8.34% | $ 6,028,965 | $ 3,025,505 | $ 3,003,460 | $ - |
| US Treasury | 6.38% | 4,617,044 | 1,492,207 | 2,535,524 | 589,313 |
| Foreign Corporate | 1.03% | 741,767 | - | 741,767 | - |
| US Corporate | 5.31% | 3,837,767 | 498,684 | 2,851,118 | 487,965 |
| Supranational | 0.69% | 496,163 | - | 496,163 | |
| Commercial Paper | 0.68% | 490,975 | 490,975 | - | - |
| CSAFE | 30.35% | 21,954,167 | 21,954,167 | - | - |
| COLOTRUST | 47.08% | 34,049,319 | 34,049,319 | - | - |
| Great West Fund | 0.15% | 110,886 | 110,886 | - | - |
| | 100.00% | $ 72,327,053 | $ 61,621,743 | $ 9,628,032 | $ 1,077,278 |

**Concentration of Credit**

| Issuer Name | Cost | Fair Value | Ratings Moody/SP | % of Total |
|---|---|---|---|---|
| Government of the United States | $ 4,647,460 | $ 4,617,044 | Aaa AA+ | 6.38% |
| Federal Home Loan Bank | 3,199,155 | 3,156,955 | Aaa AA+ | 4.36% |
| Federal National Mortgage Associate | 1,059,371 | 1,037,898 | Aaa AA+ | 1.44% |
| Federal Home Loan Mortgage Corp | 1,553,449 | 1,536,167 | Aaa AA+ | 2.12% |
| Federal Farm Credit Banks | 295,893 | 297,945 | Aaa AA+ | 0.41% |
| Cisco Systems | 521,270 | 497,347 | A1 AA- | 0.69% |
| US Bancorp | 504,835 | 492,616 | A1 A+ | 0.68% |
| Toronto Dominion Bank | 245,938 | 247,535 | Aa1 AA- | 0.34% |
| Westpac Banking | 247,068 | 246,811 | Aa3 AA- | 0.34% |
| Apple Inc | 485,480 | 487,965 | Aa1 AA+ | 0.67% |
| IBM Credit Corp | 199,584 | 197,751 | A1 A | 0.27% |
| Intl Bank Recon and Development | 489,780 | 496,163 | Aaa AAA | 0.69% |
| Johnson & Johnson | 500,875 | 498,684 | Aaa AAA | 0.69% |
| Bank of NY Mellon Corp | 242,220 | 244,006 | A1 A | 0.34% |
| Toyota Mortor Corp | 494,770 | 490,174 | Aa3 AA- | 0.68% |
| Royal Bank of Canada | 246,928 | 247,421 | Aa2 AA- | 0.34% |
| Wal-Mart Stores | 501,390 | 503,553 | Aa2 AA | 0.70% |
| Blackrock Inc | 233,861 | 231,630 | Aa3 AA- | 0.32% |
| JP Morgan | 490,975 | 490,975 | P-1 A-1 | 0.68% |
| Oracle Corp | 198,766 | 194,041 | A1 AA- | 0.27% |
| CSAFE Investment Pool | 21,954,167 | 21,954,167 | NR AAAm | 30.35% |
| ColoTrust Investment Pool | 34,049,319 | 34,049,319 | NR AAAm | 47.08% |
| Great West Guaranteed Fixed Fund | 110,886 | 110,886 | Aa3 AA | 0.15% |

*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 require 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 be 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, 2018, the Town had $23,447 invested in COLOTRUST PRIME and $30,248,811 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, 2018, $3,777,061 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, 2018. 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, interest 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. The Town’s Level 2 investments are measured using matrix pricing.

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, 2018:

| **Asset** | | **Fair Value** | | **Significant Other Observable Inputs (Level 2)** |
|---|---|---|---|---|
| Agency | $ | 6,028,965 | $ | 6,028,965 |
| Commercial Paper | | 490,975 | | 490,975 |
| Great West Investment Pool | | 110,886 | | 110,886 |
| Supranational | | 496,163 | | 496,163 |
| US Corporate | | 3,837,767 | | 3,837,767 |
| Foreign Corporate | | 741,767 | | 741,767 |
| US Treasury | | 4,617,044 | | 4,617,044 |
| **Total Investments by Fair Value** | **$** | **16,323,567** | **$** | **16,323,567** |

The Town's investments in ColoTrust are measured at the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. $34,049,319 was in ColoTrust as of December 31, 2018.

The Town's investments in CSAFE as of December 31, 2018 was $21,954,167 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, 2018 was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital asses not being depreciated: | | | | | |
| Land | $ 91,628,151 | $ 330,695 | $ - | $ 773,872 | $ 92,732,718 |
| Intangible assets | 257,721,118 | 27,197 | (528,086) | 126,472 | 257,346,701 |
| Construction in progress | 21,898,610 | 6,763,650 | - | (16,772,395) | 11,889,865 |
| Total capital assets not being depreciated | 371,247,879 | 7,121,542 | (528,086) | (15,872,051) | 361,969,284 |
| Capital assets being depreciated: | | | | | |
| Buildings | 97,619,920 | - | (102,210) | (773,872) | 96,743,838 |
| Improvements other than buildings | 52,429,232 | 59,480 | (50,975) | 4,250,630 | 56,688,367 |
| Infrastructure | 325,806,326 | 8,532,010 | - | 12,388,043 | 346,726,379 |
| Intangible asses (Software) | 694,440 | - | - | 7,250 | 701,690 |
| Machinery and Equipment | 22,157,966 | 1,878,732 | (2,667,717) | - | 21,368,981 |
| Total capital assets being depreciated | 498,707,884 | 10,470,222 | (2,820,902) | 15,872,051 | 522,229,255 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (23,322,599) | (3,072,442) | 102,210 | - | (26,292,831) |
| Improvements other than buildings | (12,100,244) | (1,929,649) | 28,236 | - | (14,001,657) |
| Infrastructure | (173,035,170) | (12,071,462) | - | - | (185,106,632) |
| Intangible asses (Software) | (285,238) | (95,233) | - | - | (380,471) |
| Machinery and Equipment | (14,917,529) | (1,671,374) | 2,563,787 | - | (14,025,116) |
| Total accumulated depreciation | (223,660,780) | (18,840,160) | 2,694,233 | - | (239,806,707) |
| Total capital assets being depreciated, net | 275,047,104 | (8,369,938) | (126,669) | 15,872,051 | 282,422,548 |
| Governmental activities capital assets, net | $ 646,294,983 | $ (1,248,396) | $ (654,755) | $ - | $ 644,391,832 |
| **Business-type activities:** | | | | | |
| Capital asses not being depreciated: | | | | | |
| Construction in progress | $ 609,768 | $ 1,474,739 | $ - | $ (434,956) | $ 1,649,551 |
| Capital assets being depreciated: | | | | | |
| Machinery and Equipment | 35,152 | 49,287 | (49,287) | - | 35,152 |
| Infrastructure | 10,677,886 | - | - | 434,956 | 11,112,842 |
| Total capital assets being depreciated | 10,713,038 | 49,287 | (49,287) | 434,956 | 11,147,994 |
| Less accumulated depreciation for | | | | | |
| Machinery and Equipment | (20,030) | (5,007) | - | - | (25,037) |
| Infrastructure | (1,526,906) | (223,492) | - | - | (1,750,398) |
| Total accumulated depreciation | (1,546,936) | (228,499) | - | - | (1,775,435) |
| Total capital assets being depreciated, net | 9,166,102 | (179,212) | (49,287) | 434,956 | 9,372,559 |
| Business-type activities capital assets, net | $ 9,775,870 | $ 1,295,527 | $ (49,287) | $ - | $ 11,022,110 |

Depreciation expense was charged to functions as follows:

| | | |
|---|---|---|
| **Governmental activities:** | | |
| General Government | $ | 198,951 |
| Public safety | | 839,079 |
| Highways and Streets, including depreciation of general infrastructure assets | | 13,065,839 |
| Culture and recreation | | 3,429,083 |
| Capital assets held by the Town's internal service funds are charged to the various functions based on their usage of the assets | | 1,307,208 |
| Total depreciation expense - governmental activities | $ | 18,840,160 |
| | | |
| **Business-type activities:** | | |
| Stormwater utility | $ | 228,499 |

## C. Open construction commitments

At December 31, 2018, the Town had the following open construction commitments:

| Project | 2018 Expenditures | Remaining Commitment | Project Total |
|---|---|---|---|
| East/West Regional Trail | $ 458 | $ 264,992 | $ 1,813,760 |
| Rueter Hess Reservoir Opportunity | 210,500 | 2,305,200 | 2,760,600 |
| BAR CCC Lights and Parking Lot | 39,836 | 1,110,000 | 1,050,000 |
| High Plains Trail Connection | 102,531 | 1,000,000 | 1,250,000 |
| Non Historic Schoolhouse Improvements | 1,158,042 | 381,435 | 1,539,477 |
| Schoolhouse Parking Lot and Plaza | 745,319 | 925,151 | 1,670,470 |
| Parker Road Sidewalk Project | 745,319 | 120,000 | 865,319 |
| Jordan Road Widening - to Hess Road | 2,898,320 | 757,405 | 7,900,000 |
| Chambers Road - Mainstreet to Hess | 300,845 | 116,155 | 10,528,000 |
| Summerset Lane Extension | 9,867 | 329,300 | 1,900,000 |
| Motsenbocker Widening - Clark Farms to Todd Dr | 35,490 | 3,347,200 | 3,500,000 |
| Cottonwood Widening - Jordan Rd to Cherry Creek | 32,718 | 136,700 | 1,000,000 |
| Mainstreet North Side Sidewalk | 980 | 37,200 | 50,000 |
| J Morgan Extension | 83,828 | 131,700 | 650,000 |
| Kings Point Way | 69,864 | 3,322,545 | 9,750,000 |
| Cherry Creek at KOA | 250,000 | 150,000 | 400,000 |
| **Total** | **$ 6,683,917** | **$14,434,983** | **$46,627,626** |

## D. Interfund transfers

This schedule summarizes the Town's interfund transfers for the year ended December 31, 2018:

| | Transfers In: | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | General Fund | Parks and Recreation Fund | Cultural Fund | Recreation Fund | Public Improvements Fund | Recreation Debt Service Fund | Debt Service Fund | Stormwater Fund | Fleet Fund | Total Transfers In |
| **Transfers Out:** | | | | | | | | | | |
| General Fund | $ - | $ - | $ 1,684,643 | $ - | $ - | $ - | $ 757,583 | $ - | $ - | $ 2,442,226 |
| Conservation Trust Fund | - | 375,000 | - | - | - | - | - | - | - | 375,000 |
| Parks and Recreation Fund | 1,253,304 | - | - | 2,208,900 | - | 1,586,078 | - | - | - | 5,048,282 |
| Excise Tax Fund | - | - | 400,000 | - | 1,546,839 | - | - | - | - | 1,946,839 |
| Stormwater Utility Fund | - | - | - | - | - | - | 185,858 | - | 49,287 | 235,145 |
| Technology Management Func | 600,000 | - | 25,612 | 74,820 | - | - | - | 10,360 | 8,633 | 719,425 |
| Total transfers out | $ 1,853,304 | $ 375,000 | $ 2,110,255 | $ 2,283,720 | $ 1,546,839 | $ 1,586,078 | $ 943,441 | $ 10,360 | $ 57,920 | $ 10,766,917 |

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.

## E. Fund balance

The descriptions of the fund balances below are not a complete list of restricted fund balances, but consist of the significant amounts that are reported on the fund statements.

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, 2018 totaled $2,289,000 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 $167,415 is restricted for parks, recreation, and open space and $9,569,694 is restricted for highways and streets.

Revenues generated by the Police Explorers program have a restricted fund balance of $20,047 to be used for the program.

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, 2018 of $206,023 is restricted for highways and streets.

Certificates of Participation were issued in 2009 and 2014. As of December 31, 2018 Wells Fargo Trust held $3,777,061 in reserve funds for the 2009 series and 2014 series. These funds are restricted for debt service.

In 1990, Town citizens voted on a 0.50 percent sales tax increase that is earmarked for parks and recreation improvements. For this purpose, fund balance in the amount of $9,329,630 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, 2018 fund balance totaled $141,056 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, 2018 totaled $8,344,453 for this purpose.

The Town receives money 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 $189,869 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 $1,127,995 at December 31, 2018.

## F. Long-term debt

### 1. Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2018 was as follows:

| | January 1, 2018 | Additions | Reductions | December 31, 2018 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Revenue bonds | | | | | |
| Sales and use tax, 2015 | $ 8,070,000 | $ - | $ 935,000 | $ 7,135,000 | $ 955,000 |
| Certificates of participation | | | | | |
| Series 2009 | 35,580,000 | - | 1,390,000 | 34,190,000 | 1,435,000 |
| Series 2014 | 17,295,000 | - | 780,000 | 16,515,000 | 795,000 |
| Discount | (53,279) | - | (3,262) | (50,017) | (3,262) |
| Premium | 559,396 | - | 34,249 | 525,147 | 34,249 |
| Total certificates of participation | 53,381,117 | - | 2,200,987 | 51,180,130 | 2,260,987 |
| Compensated absences | 2,159,029 | 1,971,434 | (1,945,560) | 2,184,903 | 1,092,452 |
| Total governmental activities | $ 63,610,146 | $ 1,971,434 | $ 1,190,427 | $ 60,500,033 | $ 4,308,439 |

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, $218,806 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 $67,600 and a decrease of ($61,877), bringing the fund’s total liability to $61,174.

At December 31, 2018, 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 |
|---|---|---|---|
| 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 | 1,015,000 | 79,604 | 1,094,604 |
| 2023 | 1,040,000 | 57,513 | 1,097,513 |
| 2024-2025 | 2,155,000 | 46,601 | 2,201,601 |
| | $ 7,135,000 | $ 550,454 | $ 7,685,454 |

*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 collected in the general fund and public improvements fund, totaling $39.8 million of which 100 percent is pledged to cover the debt service requirements outlined above for the remainder of the bond term. The pledged revenue collected in the current fiscal year adequately covers the remaining $7.69 million of debt service requirements.

*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, 2018, 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 |
|---|---|---|---|
| 2019 | $ 2,230,000 | $ 2,869,561 | $ 5,099,561 |
| 2020 | 2,295,000 | 2,776,171 | 5,071,171 |
| 2021 | 2,365,000 | 2,675,529 | 5,040,529 |
| 2022 | 2,445,000 | 2,567,894 | 5,012,894 |
| 2023 | 2,535,000 | 2,441,384 | 4,976,384 |
| 2024-2028 | 14,345,000 | 9,944,124 | 24,289,124 |
| 2029-2033 | 17,705,000 | 5,377,040 | 23,082,040 |
| 2034-2035 | 6,785,000 | 615,210 | 7,400,210 |
| | $ 50,705,000 | $ 29,266,913 | $ 79,971,913 |

*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 2009 COPs have a net book value of $24.9 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 and by lot within a maturity, on November 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 acquired with the 2014 COPs have a net book value of $27.6 million.

## 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. Sales Tax Sharing Agreements

From time to time the Town enters into incentive agreements to share sales tax revenue with qualified sales tax generating business, employers and shopping centers within the Town to the extent authorized by the Tax and Fee Assistance Program and the Shopping Center Assistance Program (collectively "Programs"). Under the Programs, the Town may share sales tax generated by a qualified business/employer/shopping center according to the terms specified in a separate agreement with the Town (the "Program Agreements"). The Program Agreements are not a debt or obligation of the Town and payments are pursuant to annual one-year terms and annual appropriation of funds by the Town Council.

The Town is currently a party to seven active Program Agreements. The payments are to come from 0% to 100% of sales tax in excess of a defined annual base. The active Program Agreements have a maximum amount payable of $7,035,000 and a potential remaining commitment of $3,376,325. The Program Agreements expire between 2019 and 2025 or when the maximum shareback is reached, whichever comes first.

Tax reimbursements in 2018 were $2,175,696. Future commitments under these agreements amount to approximately $6.6 million.

Additionally, some of these agreements commit the Town to reimburse a portion of building fees and building use tax. The reimbursements of building fees and building use tax in 2018 was $55,130.

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 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 thirteen to seventeen years.

PAR reimbursed $282,609 in 2018. Future commitments under these agreements amount to approximately $2.4 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, 2018 totaling $2,289,000 have been presented as a restriction 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

As of December 31, 2018, there were several lawsuits pending in which the Town is involved.

## C. Employee benefits

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

**<u>State Fire and Police Pension Plan (FPPA)</u>**

*Plan Description*

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997

Colorado statutes assign the authority to establish benefit provisions to the state legislature. 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. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

*Description of Benefits*

A member is eligible for a normal retirement pension once the member has completed twenty-five 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 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 affiliated 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 the benefit when compared 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 with at least five years of credited service or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an 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 service 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*

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB 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 election of the membership. Members of the SWDB plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. Members of the SWDB plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022. Contributions to the SWDB plan from the Town were $487,955 for the year ended December 3120182018.

***Net Pension Liability (Asset)***

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2018, the Town reported an asset of $1,435,080 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2017, the Town's proportion was 0.9975132263 percent, which was a decrease of 0.0531967408 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension income of $1,035,664. At December 31, 2018, 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 |
|---|---|---|
| Difference between expected and actual experience | $ 1,034,898 | $ 15,902 |
| Changes of assumptions or other inputs | 216,215 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 487,259 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 99,406 | 44,503 |
| Contributions subsequent to the measurement date | 487,955 | - |
| Total | $ 1,838,474 | $ 547,664 |

$487,955 in total reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended | Totals |
|---|---|
| 2019 | $ 176,403 |
| 2020 | 154,213 |
| 2021 | (52,889) |
| 2022 | (129,693) |
| 2023 | 158,823 |
| Thereafter | 495,998 |
| | $ 802,855 |

*Actuarial Assumptions*

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Actuarial Method | Entry Age Normal |
| Amortization Method | Level % of Payroll, Open |
| Amortization Period | 30 Years |
| Long-term Investment Rate of Return* | 7.5% |
| Projected Salary Increases* | 4.0% - 14.0% |
| Cost of Living Adjustments | 0.0% |
| *Includes Inflation at | 2.5% |

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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, 2017 are summarized in the following table:

| **Asset Class** | **Target Allocation** | **Long-Term Expected Rate of Return** |
|---|---|---|
| Global Equity | 37.0% | 8.33% |
| Equity Long/Short | 9.0% | 7.15% |
| Illiquid Alternatives | 24.0% | 9.70% |
| Fixed Income | 15.0% | 3.00% |
| Absolute Return | 9.0% | 6.46% |
| Managed Futures | 4.0% | 6.85% |
| Cash | 2.0% | 2.26% |
| **Total** | **100.0%** | |

***Discount Rate***

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 FPPA 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.

***Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

| 1% Decrease 6.50% | Single Discount Rate Assumption 7.50% | 1% Increase 8.50% |
|---|---|---|
| $1,562,375 | $(1,435,080) | $(3,924,082) |

***Pension Plan Fiduciary Net Position***
Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at http://www.fppaco.org.

***Changes between the measurement date of the net pension asset and December 31, 2018***

The FPPA Board completed an actuarial experience study and approved changes to the actuarial assumptions effective January 1, 2019. The inflation assumption will remain at 2.5%. The investment return assumption will be reduced from 7.5% to 7.0% to reflect the reduced real return expected from recent capital market data. The reduction in the investment return assumption will increase the total pension liability.

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, 2018, there were 270 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. 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 vesting is on a 2 year schedule, and the Town's matching payment is 12% for directors and 17% for the Town Attorney. A separate plan exists for the Town Administrator. The only differences in this plan are that vesting is immediate and the Town's matching payment is 20.5%. All other provisions in the director and Town Administrator plans are the same as the employees defined contribution plan. The general fund is used to liquidate pension liabilities.

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

| Year | Member Contributions | Town Contributions (Pension Expense) | Total |
|---|---|---|---|
| 2018 | $1,285,061 | $1,676,711 | $2,961,772 |
| 2017 | 1,243,828 | 1,599,836 | 2,843,664 |
| 2016 | 1,167,000 | 1,443,217 | 2,610,217 |

**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%.

The Town contributes 4.5% of the Town Administrator's compensation to her 457 account.

## NOTE 6 COMPLIANCE AND ACCOUNTABILITY

### A. Exceeded budgeted expenditures

The General Debt Service Fund exceeded budgeted expenditures in 2018 by $318 due to an error when calculating the debt payments between the General Debt Service Fund and the Recreation Debt Service Fund.

The Facility Services Fund exceed budgeted expenditures in 2018 by $21,756 due to an increase in contracted rates in the custodial services contract.

The Health Benefits Fund exceeded budgeted expenditures in 2018 by $102,201 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.

PARKER
COLORADO

**REQUIRED SUPPLEMENTARY INFORMATION**

**Defined Benefit Pension Plan Schedules**

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

PARKER
COLORADO

# TOWN OF PARKER, COLORADO
## Schedule of the Proportionate Share of the Net Pension Liability (Asset)
## FPPA Pension Plan
## Last Ten Years*

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| Proportion of the net pension liability (asset) | 1.044% | 1.078% | 1.026% | 1.051% | 0.998% |
| Proportionate share of the net pension liability (asset) | $ (933,843) | $ (1,216,731) | $ (18,087) | $ 379,662 | $ (1,435,080) |
| Covered payroll | $ 4,535,738 | $ 4,860,850 | $ 4,984,838 | $ 5,377,350 | $ 5,834,975 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll | -20.589% | -25.031% | -0.363% | 7.060% | -24.594% |
| Plan fiduciary net position as a percacntage of the total pension liability | 105.831% | 106.828% | 100.095% | 98.213% | 106.339% |
| Total pension liability (asset) | $ 16,016,465 | $ 17,820,128 | $ 18,949,485 | $ 21,240,385 | $ 22,637,672 |
| Plan fiduciary net position | 16,950,308 | 19,036,859 | 18,967,572 | 20,860,723 | 24,072,752 |
| Net pension liability (asset) | $ (933,843) | $ (1,216,731) | $ (18,087) | $ 379,662 | $ (1,435,080) |

* Information prior to 2013 year end was not available to report.
Above information is presented as of December 31, of the measurement date

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Statutorily required contribution | $ 314,856 | $ 326,744 | $ 341,789 | $ 351,142 | $ 362,859 | $ 388,868 | $ 398,787 | $ 430,188 | $ 466,978 | $ 487,955 |
| Contributions in relation to the statutorily required contribution | 314,856 | 326,744 | 341,789 | 351,142 | 362,859 | 388,868 | 398,787 | 430,188 | 466,978 | 487,955 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Employer's covered payroll | $ 3,935,700 | $ 4,084,300 | $ 4,272,363 | $ 4,389,275 | $ 4,535,738 | $ 4,860,850 | $ 4,984,838 | $ 5,377,350 | $ 5,834,975 | $ 6,099,438 |
| Contributions as a as a percentage of covered 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

# 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 revenue bonds 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, 2018

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Conservation Trust | Law Enforcement Assistance | Parker Authority For Reinvestment | Greater Parker Foundation | Total Special Revenue |
| **ASSETS** | | | | | |
| Equity in pooled cash and investments | $ - | $ 461,065 | $ - | $ - | $ 461,065 |
| Cash and investments | 189,869 | - | 2,292,807 | 18,751 | 2,501,427 |
| Investment earnings receivable | - | 355 | - | - | 355 |
| Accounts receivable | - | 24 | - | 1,350 | 1,374 |
| Prepaid items | - | 991 | 7,891 | - | 8,882 |
| Total assets | $ 189,869 | $ 462,435 | $ 2,300,698 | $ 20,101 | $ 2,973,103 |
| **Liabilities** | | | | | |
| Accounts payable | $ - | $ 2,735 | $ 1,164,812 | $ 1,350 | $ 1,168,897 |
| Other current liabilities | - | 317,653 | - | - | 317,653 |
| Total liabilities | - | 320,388 | 1,164,812 | 1,350 | 1,486,550 |
| **Fund balances** | | | | | |
| Non-spendable: | | | | | |
| Prepaid items | - | 991 | 7,891 | - | 8,882 |
| Restricted: | | | | | |
| Parks, recreation and open space | 189,869 | - | - | - | 189,869 |
| Law enforcement | - | 141,056 | - | - | 141,056 |
| Culture | - | - | - | - | - |
| Highways and streets | - | - | - | - | - |
| Streets, parks, recreation and facilities | | - | - | - | - |
| Economic development | - | - | 1,127,995 | - | 1,127,995 |
| Assigned: | | | | | - |
| Fundraising | | - | - | 18,751 | 18,751 |
| Total fund balances | 189,869 | 142,047 | 1,135,886 | 18,751 | 1,486,553 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 189,869 | $ 462,435 | $ 2,300,698 | $ 20,101 | $ 2,973,103 |

(continued)

# TOWN OF PARKER, COLORADO
## Other (Non-major) Governmental Funds
## Combining Balance Sheet
## December 31, 2018

| Capital Projects | |
|---|---|
| Parkglenn Construction | Total Other Governmental Funds |
| | |
| $ 205,862 | $ 666,927 |
| - | 2,501,427 |
| 161 | 516 |
| - | 1,374 |
| - | 8,882 |
| $ 206,023 | $ 3,179,126 |
| | |
| $ - | $ 1,168,897 |
| - | 317,653 |
| - | 1,486,550 |
| | |
| - | 8,882 |
| | |
| - | 189,869 |
| - | 141,056 |
| - | - |
| 206,023 | 206,023 |
| - | - |
| - | 1,127,995 |
| | |
| - | 18,751 |
| 206,023 | 1,692,576 |
| | |
| $ 206,023 | $ 3,179,126 |

(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, 2018

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Conservation Trust | Law Enforcement Assistance | Parker Authority For Reinvestment | Greater Parker Foundation | Total Special Revenue |
| **REVENUES** | | | | | |
| Excise Tax - new development | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental | 452,801 | 21,940 | 1,810,352 | - | 2,285,093 |
| Charges for services | - | - | - | - | - |
| Fines and forfeitures | - | 65,706 | - | - | 65,706 |
| Net investment earnings | 67 | 7,846 | 464 | - | 8,377 |
| Miscellaneous | - | 253 | - | 3,700 | 3,953 |
| | 452,868 | 95,745 | 1,810,816 | 3,700 | 2,363,129 |
| **EXPENDITURES** | | | | | |
| Current | | | | | |
| Public safety | - | 65,898 | - | - | 65,898 |
| Economic development | - | - | 975,117 | - | 975,117 |
| Culture and recreation | - | - | - | 10,147 | 10,147 |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Fiscal charges | - | - | - | - | - |
| Capital outlay | - | - | 148,518 | - | 148,518 |
| Total expenditures | - | 65,898 | 1,123,635 | 10,147 | 1,199,680 |
| Excess (deficiency) of revenues over (under) expenditures | 452,868 | 29,847 | 687,181 | (6,447) | 1,163,449 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (375,000) | - | - | - | (375,000) |
| Total other financing sources (uses) | (375,000) | - | - | - | (375,000) |
| Net change in fund balances | 77,868 | 29,847 | 687,181 | (6,447) | 788,449 |
| Fund balances - January 1 | 112,001 | 112,200 | 448,705 | 25,198 | 698,104 |
| Fund balances - December 31 | $ 189,869 | $ 142,047 | $ 1,135,886 | $ 18,751 | $ 1,486,553 |

(continued)

# 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, 2018

| Capital Projects | Debt Service | | | |
|---|---|---|---|---|
| Parkglenn Construction | General Debt | Recreation Debt | Total Debt Service | Total Other Governmental Funds |
| $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | 2,285,093 |
| - | - | - | - | - |
| - | - | - | - | 65,706 |
| 3,283 | - | - | - | 11,660 |
| - | - | - | - | 3,953 |
| 3,283 | - | - | - | 2,366,412 |
| | | | | |
| - | - | - | - | 65,898 |
| - | - | - | - | 975,117 |
| - | - | - | - | 10,147 |
| | | | | |
| - | 514,800 | 1,200,200 | 1,715,000 | 1,715,000 |
| - | 428,641 | 383,878 | 812,519 | 812,519 |
| - | - | 2,000 | 2,000 | 2,000 |
| - | - | - | - | 148,518 |
| - | 943,441 | 1,586,078 | 2,529,519 | 3,729,199 |
| | | | | |
| 3,283 | (943,441) | (1,586,078) | (2,529,519) | (1,362,787) |
| | | | | |
| - | 943,441 | 1,586,078 | 2,529,519 | 2,529,519 |
| - | - | - | - | (375,000) |
| - | 943,441 | 1,586,078 | 2,529,519 | 2,154,519 |
| | | | | |
| 3,283 | - | - | - | 791,732 |
| 202,740 | - | - | - | 900,844 |
| $ 206,023 | $ - | $ - | $ - | $ 1,692,576 |

(concluded)

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Conservation Trust Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 400,000 | $ 400,000 | $ 452,801 | $ 52,801 |
| Net investment earnings | 200 | 200 | 67 | (133) |
| Total revenues | 400,200 | 400,200 | 452,868 | 52,668 |
| **OTHER FINANCING USES** | | | | |
| Transfers out | (375,000) | (375,000) | (375,000) | - |
| Net change in fund balance | 25,200 | 25,200 | 77,868 | 52,668 |
| Fund balance - January 1 | 93,368 | 112,001 | 112,001 | - |
| Fund balance - December 31 | $ 118,568 | $ 137,201 | $ 189,869 | $ 52,668 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Law Enforcement Assistance Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 40,000 | $ 40,000 | $ 21,940 | $ (18,060) |
| Charges for services | 2,000 | 2,000 | - | (2,000) |
| Fines and forfeitures | 80,000 | 80,000 | 65,706 | (14,294) |
| Net investment earnings | 2,000 | 2,000 | 7,846 | 5,846 |
| Miscellaneous | 50 | 50 | 253 | 203 |
| | 124,050 | 124,050 | 95,745 | (28,305) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Public safety | 145,390 | 145,453 | 65,898 | 79,555 |
| Net change in fund balance | (21,340) | (21,403) | 29,847 | 51,250 |
| Fund balance - January 1 | 97,339 | 112,200 | 112,200 | - |
| Fund balance - December 31 | $ 75,999 | $ 90,797 | $ 142,047 | $ 51,250 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Parker Authority for Reinvestment
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ 1,835,500 | $ 1,835,500 | $ 1,810,352 | $ (25,148) |
| Investment earnings | - | - | 464 | 464 |
| Total revenues | 1,835,500 | 1,835,500 | 1,810,816 | (24,684) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Economic development | 1,191,460 | 1,191,460 | 975,117 | 216,343 |
| Capital outlay | 175,000 | 175,000 | 148,518 | 26,482 |
| Total expenditures | 1,366,460 | 1,366,460 | 1,123,635 | 242,825 |
| Excess (deficiency) of revenues over/(under) expenditures | 469,040 | 469,040 | 687,181 | 218,141 |
| Net change in fund balance | 469,040 | 469,040 | 687,181 | 218,141 |
| Fund balance - January 1 | 241,530 | 448,705 | 448,705 | - |
| Fund balance - December 31 | $ 710,570 | $ 917,745 | $ 1,135,886 | $ 218,141 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Greater Parker Foundation
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Contributions | $ 10,000 | $ 10,000 | $ 3,700 | $ (6,300) |
| **EXPENDITURES** | | | | |
| Culture and recreation | 16,810 | 16,810 | 10,147 | 6,663 |
| Net change in fund balance | (6,810) | (6,810) | (6,447) | 363 |
| Fund balance - January 1 | 24,707 | 25,198 | 25,198 | - |
| Fund balance - December 31 | $ 17,897 | $ 18,388 | $ 18,751 | $ 363 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Public Improvements Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Taxes | $ 3,530,000 | $ 3,530,000 | $ 4,044,683 | $ 514,683 |
| Intergovernmental | 3,996,000 | 3,996,000 | 4,359,342 | 363,342 |
| Contributions | 1,002,300 | 1,002,300 | 4,397,522 | 3,395,222 |
| Net investment earnings | 100,000 | 100,000 | 342,128 | 242,128 |
| Miscellaneous | - | - | 190 | 190 |
| Total revenues | 8,628,300 | 8,628,300 | 13,143,865 | 4,515,565 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Highways and streets | 1,750,000 | 2,205,000 | 2,196,528 | 8,472 |
| Economic development | - | 21,000 | 23,861 | (2,861) |
| Building | - | 142,400 | 112,202 | 30,198 |
| Capital outlay | | | | |
| Highways and streets | 3,765,000 | 14,064,238 | 4,843,146 | 9,221,092 |
| Total expenditures | 5,515,000 | 16,432,638 | 7,175,737 | 9,256,901 |
| Excess (deficiency) of revenues over (under) expenditures | 3,113,300 | (7,804,338) | 5,968,128 | 13,772,466 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 1,750,000 | 1,750,000 | 1,546,839 | (203,161) |
| Net change in fund balance | 4,863,300 | (6,054,338) | 7,514,967 | 13,569,305 |
| Fund balance - January 1 | 5,158,467 | 13,945,954 | 13,945,954 | - |
| Fund balance - December 31 | $ 10,021,767 | $ 7,891,616 | $ 21,460,921 | $ 13,569,305 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Excise Tax Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Excise tax - new development | $ 2,500,000 | $ 2,500,000 | $ 3,735,299 | $ 1,235,299 |
| Net investment earnings | 60,000 | 60,000 | 120,592 | 60,592 |
| Total revenues | 2,560,000 | 2,560,000 | 3,855,891 | 1,295,891 |
| **OTHER FINANCING USES** | | | | |
| Transfers out | (2,150,000) | (2,150,000) | (1,946,839) | 203,161 |
| Net change in fund balance | 410,000 | 410,000 | 1,909,052 | 1,499,052 |
| Fund balance - January 1 | 6,034,588 | 6,435,401 | 6,435,401 | - |
| Fund balance - December 31 | $ 6,444,588 | $ 6,845,401 | $ 8,344,453 | $ 1,499,052 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Parkglenn Construction Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Net investment earnings | $ 1,500 | $ 1,500 | $ 3,283 | $ 1,783 |
| Net change in fund balance | 1,500 | 1,500 | 3,283 | 1,783 |
| Fund balance - January 1 | 202,844 | 202,844 | 202,740 | (104) |
| Fund balance - December 31 | $ 204,344 | $ 204,344 | $ 206,023 | $ 1,679 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## General Debt Service Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **EXPENDITURES** | | | | |
| Debt Service | | | | |
| Principal | $ 445,612 | $ 445,612 | $ 514,800 | $ (69,188) |
| Interest | 497,511 | 497,511 | 428,641 | 68,870 |
| Total expenditures | 943,123 | 943,123 | 943,441 | (318) |
| Deficiency of revenues under expenditures | (943,123) | (943,123) | (943,441) | (318) |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 943,123 | 943,123 | 943,441 | 318 |
| Net change in fund balance | - | - | - | - |
| Fund balance - January 1 | - | - | - | - |
| Fund balance - December 31 | $ - | $ - | $ - | $ - |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
## Recreation Debt Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **EXPENDITURES** | | | | |
| Debt service | | | | |
| Principal | $ 1,200,200 | $ 1,200,200 | $ 1,200,200 | $ - |
| Interest | 384,300 | 384,300 | 383,878 | 422 |
| Fiscal charges | 2,000 | 2,000 | 2,000 | - |
| Total expenditures | 1,586,500 | 1,586,500 | 1,586,078 | 422 |
| Deficiency of revenues under expenditures | (1,586,500) | (1,586,500) | (1,586,078) | 422 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 1,586,500 | 1,586,500 | 1,586,078 | (422) |
| 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, 2018

| | Fleet Services | Technology Management | Facility Services | Medical Benefits | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current assets | | | | | |
| Equity in pooled cash and investments | $ 486,503 | $ 1,560,082 | $ 145,386 | $ 838,632 | $ 3,030,603 |
| Investment earnings receivable | 362 | 1,163 | 96 | 653 | 2,274 |
| Accounts receivable | 25,202 | 16,810 | 2,135 | 577 | 44,724 |
| Prepaid items | 2,680 | 100,773 | 8,664 | - | 112,117 |
| Inventory | 52,364 | - | - | - | 52,364 |
| Total current assets | 567,111 | 1,678,828 | 156,281 | 839,862 | 3,242,082 |
| Capital assets | | | | | |
| Intangible assets | - | 638,586 | - | - | 638,586 |
| Machinery and equipment | 12,041,259 | 3,270,914 | - | - | 15,312,173 |
| Improvements other than buildings | - | 140,351 | - | - | 140,351 |
| Accumulated depreciation | (7,515,235) | (3,250,578) | - | - | (10,765,813) |
| Capital assets net of accumulated depreciation | 4,526,024 | 799,273 | - | - | 5,325,297 |
| Total assets | 5,093,135 | 2,478,101 | 156,281 | 839,862 | 8,567,379 |
| **LIABILITIES** | | | | | |
| Current liabilities | | | | | |
| Accounts payable and other current liabilities | 36,697 | 123,708 | 63,790 | 162,086 | 386,281 |
| Unearned revenue | - | - | - | 276 | 276 |
| Compensated absences | 37,364 | 144,488 | 36,954 | - | 218,806 |
| Total liabilities | 74,061 | 268,196 | 100,744 | 162,362 | 605,363 |
| **NET POSITION** | | | | | |
| Investment in capital assets | 4,526,024 | 799,273 | - | - | 5,325,297 |
| Unrestricted | 493,050 | 1,410,632 | 55,537 | 677,500 | 2,636,719 |
| Total net position | $ 5,019,074 | $ 2,209,905 | $ 55,537 | $ 677,500 | $ 7,962,016 |

# TOWN OF PARKER, COLORADO
## Internal Service Funds
## Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
## For the Year Ended December 31, 2018

| | Fleet Services | Technology Management | Facility Services | Medical Benefits | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for sales and services | $ 2,018,962 | 3,109,988 | $ 1,002,956 | $ 3,220,743 | $ 9,352,649 |
| Miscellaneous | 6,733 | 18,417 | 6,282 | 40,705 | 72,137 |
| Total operating revenues | 2,025,695 | 3,128,405 | 1,009,238 | 3,261,448 | 9,424,786 |
| **OPERATING EXPENSES** | | | | | |
| Cost of sales and services | 722,514 | 3,105,704 | 998,532 | 2,992,901 | 7,819,651 |
| Depreciation | 1,124,582 | 182,626 | - | - | 1,307,208 |
| Total operating expenses | 1,847,096 | 3,288,330 | 998,532 | 2,992,901 | 9,126,859 |
| Operating income (loss) | 178,599 | (159,925) | 10,706 | 268,547 | 297,927 |
| **NON-OPERATING REVENUES** | | | | | |
| Net investment earnings | 7,431 | 28,215 | 2,042 | 8,969 | 46,657 |
| Gain on disposal of asset | 98,889 | - | - | - | 98,889 |
| Total non-operating revenue | 106,320 | 28,215 | 2,042 | 8,969 | 145,546 |
| Income before contributions and transfers | 284,919 | (131,710) | 12,748 | 277,516 | 443,473 |
| Capital contributions | 138,221 | 157,936 | - | - | 296,157 |
| Transfers in | 57,920 | - | - | - | 57,920 |
| Transfers out | - | (719,425) | - | - | (719,425) |
| Changes in net position | 481,060 | (693,199) | 12,748 | 277,516 | 78,125 |
| Total net position - January 1 | 4,538,014 | 2,903,104 | 42,789 | 399,984 | 7,883,891 |
| Total net position - December 31 | $ 5,019,074 | $ 2,209,905 | $ 55,537 | $ 677,500 | $ 7,962,016 |

# TOWN OF PARKER, COLORADO
## Internal Service Funds
## Combining Statement of Cash Flows
## For the Year Ended December 31, 2018

| | Fleet Services | Technology Management | Facility Services | Medical Benefits | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Receipts from customers and users | $ 2,023,472 | $ 3,120,760 | $ 1,004,402 | $ 3,225,627 | $ 9,374,261 |
| Receipts from others | 2,447 | 9,902 | 2,962 | 40,705 | 56,016 |
| Payments to suppliers | (836,988) | (3,109,517) | (994,157) | (2,960,991) | (7,901,653) |
| Payments to employees | 7,245 | 30,984 | 2,514 | - | 40,743 |
| Net cash provided (used) by operating activities | 1,196,176 | 52,129 | 15,721 | 305,341 | 1,569,367 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Receipts from the sale of assets | 199,742 | - | - | - | 199,742 |
| Transfers in/(out) | 8,633 | (719,425) | - | - | (710,792) |
| Purchases of capital assets | (1,332,622) | - | - | - | (1,332,622) |
| Net cash provided (used) by capital and related financing activities | (1,124,247) | (719,425) | - | - | (1,843,672) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Net investment earnings received | 7,335 | 29,120 | 2,049 | 8,821 | 47,325 |
| Net cash provided (used) by investing activities | 7,335 | 29,120 | 2,049 | 8,821 | 47,325 |
| Net increase (decrease) in cash and cash equivalents | 79,264 | (638,176) | 17,770 | 314,162 | (226,980) |
| Equity in pooled cash and cash equivalents - January 1 | 407,239 | 2,198,258 | 127,616 | 524,470 | 3,257,583 |
| Equity in pooled cash and cash equivalents - December 31 | $ 486,503 | $ 1,560,082 | $ 145,386 | $ 838,632 | $ 3,030,603 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | | | | |
| Operating income (loss) | $ 178,599 | $ (159,925) | $ 10,706 | $ 268,547 | $ 297,927 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | | |
| Depreciation expense | 1,124,582 | 182,626 | - | - | 1,307,208 |
| Changes in current assets and liabilities: | | | | | |
| Inventory | (1,936) | - | - | - | (1,936) |
| Prepaid items | 6,128 | (35,206) | 3,180 | 494 | (25,404) |
| Accounts receivable | 4,510 | 10,772 | 1,446 | 4,608 | 21,336 |
| Accounts payable | (118,666) | 31,393 | 1,195 | 31,416 | (54,662) |
| Unearned revenue | (4,286) | (8,515) | (3,320) | 276 | (15,845) |
| Compensated absences and wages payable | 7,245 | 30,984 | 2,514 | - | 40,743 |
| Total adjustments | 1,017,577 | 212,054 | 5,015 | 36,794 | 1,271,440 |
| Net cash provided (used) by operating activities | $ 1,196,176 | $ 52,129 | $ 15,721 | $ 305,341 | $ 1,569,367 |
| **NONCASH CAPITAL ACTIVITIES:** | | | | | |
| Contributions of capital assets | $ 187,508 | $ 157,936 | $ - | $ - | $ 345,444 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Funds Available – Budgetary Basis
## Fleet Services Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 2,534,300 | $ 2,300,384 | $ 2,018,962 | $ (281,422) |
| Net investment earnings | 100 | 100 | 7,431 | 7,331 |
| Gain on sale of disposal of asset | - | - | 153,609 | 153,609 |
| Miscellaneous | - | - | 6,733 | 6,733 |
| Total revenues | 2,534,400 | 2,300,484 | 2,186,735 | (113,749) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Fleet services | 987,216 | 987,216 | 722,514 | 264,702 |
| Capital outlay | 1,432,000 | 1,307,606 | 1,286,490 | 21,116 |
| Total expenditures | 2,419,216 | 2,294,822 | 2,009,004 | 285,818 |
| Transfers in | - | 8,633 | 8,633 | - |
| Excess (deficiency) of revenues over (under) expenditures | 115,184 | 5,662 | 186,364 | 172,069 |
| Funds available for appropriation - January 1 | 166,963 | 306,686 | 306,686 | - |
| Funds available for appropriation - December 31 | $ 282,147 | $ 312,348 | 493,050 | $ 172,069 |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | 4,526,024 | |
| Net position - December 31 | | | $ 5,019,074 | |
| Funds available at December 31 is computed as follows: | | | | |
| Current assets | | | $ 567,111 | |
| Current liabilities | | | (74,061) | |
| Funds available - December 31 | | | $ 493,050 | |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Funds Available – Budgetary Basis
## Technology Management Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 4,139,002 | $ 3,832,729 | $ 3,109,988 | $ (722,741) |
| Net investment earnings | 10,000 | 10,000 | 28,215 | 18,215 |
| Miscellaneous | - | - | 18,417 | 18,417 |
| Total revenues | 4,149,002 | 3,842,729 | 3,156,620 | (686,109) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Technology management services | 3,511,087 | 3,505,570 | 3,105,704 | 399,866 |
| Capital outlay | 45,000 | 153,500 | - | 153,500 |
| Total expenditures | 3,556,087 | 3,659,070 | 3,105,704 | 553,366 |
| Transfers out | - | (719,425) | (719,425) | - |
| Excess (deficiency) of revenues over (under) expenditures | 592,915 | (535,766) | (668,509) | (132,743) |
| Funds available for appropriation - January 1 | 1,237,044 | 2,079,141 | 2,079,141 | - |
| Funds available for appropriation - December 31 | $ 1,829,959 | $ 1,543,375 | 1,410,632 | $ (132,743) |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | 799,273 | |
| Net position - December 31 | | | $ 2,209,905 | |
| Funds available at December 31 is computed as follows: | | | | |
| Current assets | | | $ 1,678,828 | |
| Current liabilities | | | (268,196) | |
| Funds available - December 31 | | | $ 1,410,632 | |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Funds Available – Budgetary Basis
## Facility Services Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 990,800 | $ 986,800 | $ 1,002,956 | $ 16,156 |
| Net investment earnings | 1,000 | 1,000 | 2,042 | 1,042 |
| Miscellaneous | - | - | 6,282 | 6,282 |
| Total revenues | 991,800 | 987,800 | 1,011,280 | 23,480 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Facility Services | 990,700 | 976,776 | 998,532 | (21,756) |
| Excess (deficiency) of revenues over (under) expenditures | 1,100 | 11,024 | 12,748 | 1,724 |
| Funds available for appropriation - January 1 | 46,988 | 42,789 | 42,789 | - |
| Funds available for appropriation - December 31 | $ 48,088 | $ 53,813 | 55,537 | $ 1,724 |

**Reconciliation of funds available to net position**

| | |
|---|---|
| Funds available at December 31, is computed as follows: | |
| Current assets | $ 156,281 |
| Current liabilities | (100,744) |
| Funds available - December 31 | $ 55,537 |

# TOWN OF PARKER, COLORADO
## Schedule of Revenues, Expenditures, and Changes in Funds Available – Budgetary Basis
## Health Benefits Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | Original | Final | Amounts | Final Budget |
| **REVENUES** | | | | |
| Charges for services | $ 3,006,670 | $ 3,006,670 | $ 3,220,743 | $ 214,073 |
| Net investment earnings | 3,500 | 3,500 | 8,969 | 5,469 |
| Miscellaneous | - | - | 40,705 | 40,705 |
| Total revenues | 3,010,170 | 3,010,170 | 3,270,417 | 260,247 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Health benefits | 2,890,700 | 2,890,700 | 2,992,901 | (102,201) |
| Excess (deficiency) of revenues over (under) expenditures | 119,470 | 119,470 | 277,516 | 158,046 |
| Funds available for appropriation - January 1 | 756,510 | 399,984 | 399,984 | - |
| Funds available for appropriation - December 31 | $ 875,980 | $ 519,454 | 677,500 | $ 158,046 |

**Reconciliation of funds available to net position**

| | |
|---|---|
| Funds available at December 31, is computed as follows: | |
| Current assets | $ 839,862 |
| Current liabilities | (162,362) |
| Funds available - December 31 | $ 677,500 |

# 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
## Schedule of Revenues, Expenditures, and Changes in Funds Available – Budgetary Basis
## Stormwater Utility Fund
## For the Year Ended December 31, 2018

| | Budgeted Amounts Original | Budgeted Amounts Final | Actual Amounts | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ 2,203,000 | $ 2,203,000 | $ 2,312,809 | $ 109,809 |
| Net investment earnings | 30,000 | 30,000 | 84,210 | 54,210 |
| Contributions | 1,500,000 | 1,500,000 | - | (1,500,000) |
| Miscellaneous | - | - | 2,917 | 2,917 |
| Total revenues | 3,733,000 | 3,733,000 | 2,399,936 | (1,333,064) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Storm drainage | 266,423 | 266,423 | 1,126,337 | (859,914) |
| Capital outlay | 3,390,000 | 3,612,481 | 794,908 | 2,817,573 |
| Total expenditures | 3,656,423 | 3,878,904 | 1,921,245 | 1,957,659 |
| **OTHER FINANCING USES** | | | | |
| Transfers in | - | 10,360 | 10,360 | - |
| Transfers out | (185,829) | (185,829) | (185,858) | (29) |
| Excess (deficiency) of revenues over (under) expenditures | (109,252) | (331,733) | 303,193 | (634,926) |
| Funds available for appropriation - January 1 | 6,816,904 | 4,538,699 | 4,538,699 | - |
| Funds available for appropriation - December 31 | $ 6,707,652 | $ 4,206,966 | 4,841,892 | $ (634,926) |
| **Reconciliation of funds available to net position** | | | | |
| Add | | | | |
| Capital assets | | | 11,022,110 | |
| Net position - December 31 | | | $ 15,864,002 | |
| Funds available at December 31 is computed as follows: | | | | |
| Current assets | | | $ 5,078,345 | |
| Current liabilities | | | (236,453) | |
| Funds available - December 31 | | | $ 4,841,892 | |

# 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 Fiduciary Net Position
## December 31, 2018

| | Security Escrow |
|---|---|
| **SECURITY ESCROW FUND** | |
| **ASSETS** | |
| Equity in pooled cash and investments | $ 6,844,850 |
| | |
| **LIABILITIES** | |
| Security escrows | $ 6,844,850 |

# TOWN OF PARKER, COLORADO
## Agency Fund
## Statement of Changes in Fiduciary Assets and Liabilities
## For the Year Ended December 31, 2018

| | Balance January 1 | Additions | Deductions | Balance December 31 |
|---|---|---|---|---|
| **SECURITY ESCROW FUND** | | | | |
| **ASSETS** | | | | |
| Equity in pooled cash and investments | $ 2,556,092 | $ 4,641,511 | $ (352,753) | $ 6,844,850 |
| **LIABILITIES** | | | | |
| Security escrows | $ 2,556,092 | $ 5,764,953 | $ (1,476,195) | $ 6,844,850 |
| Total liabilities | $ 2,556,092 | $ 5,764,953 | $ (1,476,195) | $ 6,844,850 |

# 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.

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

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

| | | |
|---|---|---|
| **LOCAL HIGHWAY FINANCE REPORT** | | Town : Parker Colorado |
| | | YEAR ENDING : December 2018 |
| 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) | 16,959,028 |
| 4. Miscellaneous local receipts (from page 2) | 654,431 |
| 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) | 17,613,460 |
| **B. Private Contributions** | 4,397,712 |
| **C. Receipts from State government** (from page 2) | 1,977,392 |
| **D. Receipts from Federal Government** (from page 2) | 0 |
| **E. Total receipts (A.7 + B + C + D)** | 23,988,564 |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|---|
| **A. Local highway disbursements:** | |
| 1. Capital outlay (from page 2) | 13,402,976 |
| 2. Maintenance: | 2,597,019 |
| 3. Road and street services: | |
| a. Traffic control operations | 1,912,047 |
| b. Snow and ice removal | 256,136 |
| c. Other | 92,097 |
| d. Total (a. through c.) | 2,260,280 |
| 4. General administration & miscellaneous | 241,643 |
| 5. Highway law enforcement and safety | |
| 6. Total (1 through 5) | 18,501,918 |
| **B. Debt service on local obligations:** | |
| 1. Bonds: | |
| a. Interest | 0 |
| b. Redemption | 0 |
| c. Total (a. + b.) | 0 |
| 2. Notes: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b.) | 0 |
| 3. Total (1.c + 2.c) | 0 |
| **C. Payments to State for highways** | |
| **D. Payments to toll facilities** | |
| **E. Total disbursements (A.6 + B.3 + C + D)** | 18,501,918 |

## 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 |
|---|---|---|---|---|
| 14,148,694 | 23,988,564 | 18,501,918 | 19,635,339 | 0 |

**Notes and Comments:**

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

| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
|---|---|
| | YEAR ENDING (mm/yy): December 2018 |

## 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 | 1,661,505 | a. Interest on investments | 345,411 |
| b. Other local imposts: | | b. Traffic Fines & Penalities | |
| 1. Sales Taxes | 10,844,708 | 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 | 309,021 |
| 5. Specific Ownership &/or Other | 4,452,815 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 15,297,523 | h. Other | |
| c. Total (a. + b.) | 16,959,028 | i. Total (a. through h.) | 654,431 |
| | (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 | 1,803,852 | 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 | 173,540 | d. Federal Transit Admin | |
| d. Other (Specify) | | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (a. through e.) | 173,540 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 1,977,392 | 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 | | 0 | 0 |
| b. Engineering Costs | | 1,804,607 | 1,804,607 |
| c. Construction: | | | |
| (1). New Facilities | | 112,202 | 112,202 |
| (2). Capacity Improvements | | 2,981,655 | 2,981,655 |
| (3). System Preservation | | 7,171,065 | 7,171,065 |
| (4). System Enhancement & Operation | | 1,333,447 | 1,333,447 |
| (5). Total Construction (1) + (2) + (3) + (4) | | 11,598,369 | 11,598,369 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | | 13,402,976 | 13,402,976 |
| | | | (Carry forward to page 1) |

**Notes and Comments:**

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

PARKER
COLORADO

# 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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | | | | | | | | | |
| Net investment in captial assets | $ 500,344,050 | $ 509,013,226 | $ 504,104,093 | $ 503,835,736 | $ 500,377,927 | $ 520,379,154 | $ 541,402,220 | $ 579,626,708 | $ 584,843,863 | $ 585,752,845 |
| Restricted | 11,776,398 | 10,397,629 | 13,814,074 | 16,244,608 | 23,027,041 | 29,318,899 | 30,504,441 | 27,076,307 | 28745901 | 38,681,045 |
| Unrestricted | 18,027,138 | 20,731,912 | 27,702,282 | 28,342,704 | 26,597,577 | 27,942,722 | 29,945,160 | 24,139,524 | 26257137 | 33,622,168 |
| Total governmental activities net position | 530,147,586 | 540,142,767 | 545,620,449 | 548,423,048 | 550,002,545 | 577,640,775 | 601,851,821 | 630,842,539 | 639,846,901 | 658,056,058 |
| **BUSINESS-TYPE ACTIVITIES** | | | | | | | | | | |
| Net investment in captial assets | 4,450,927 | 4,801,767 | 5,896,615 | 7,720,729 | 8,102,532 | 8,554,595 | 9,179,752 | 9,287,251 | 9,775,870 | 11,022,110 |
| Restricted | 306,492 | 306,492 | 306,492 | 306,492 | 328,492 | 306,492 | 447,417 | 532,851 | 725,396 | 712,396 |
| Unrestricted | 736,079 | 918,175 | 1,134,774 | 1,270,848 | 1,569,667 | 2,088,124 | 2,443,772 | 3,176,980 | 3,813,303 | 4,129,496 |
| Total business-type activities net position | 5,493,498 | 6,026,434 | 7,337,881 | 9,298,069 | 10,000,691 | 10,949,211 | 12,070,941 | 12,997,082 | 14,314,569 | 15,864,002 |
| **PRIMARY GOVERNMENT** | | | | | | | | | | |
| Net investment in captial assets | 504,794,977 | 513,814,993 | 510,000,708 | 511,556,465 | 508,480,459 | 528,933,749 | 550,581,972 | 588,913,959 | 594,619,733 | 596,774,955 |
| Restricted | 12,082,890 | 10,704,121 | 14,120,566 | 16,551,100 | 23,355,533 | 29,625,391 | 30,951,858 | 27,609,158 | 29,471,297 | 39,393,441 |
| Unrestricted | 18,763,217 | 21,650,087 | 28,837,056 | 29,613,552 | 28,167,244 | 30,030,846 | 32,388,932 | 27,316,504 | 30,070,440 | 37,751,664 |
| Total primary government net position | $ 535,641,084 | $ 546,169,201 | $ 552,958,330 | $ 557,721,117 | $ 560,003,236 | $ 588,589,986 | $ 613,922,762 | $ 643,839,621 | $ 654,161,470 | $ 673,920,060 |

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **EXPENSES** | | | | | | | | | | |
| **Governmental activities** | | | | | | | | | | |
| General government | $ 8,026,753 | $ 6,902,160 | $ 6,944,126 | $ 7,482,851 | $ 7,360,189 | $ 6,809,852 | $ 7,808,349 | $ 7,883,833 | $ 8,048,173 | $ 7,926,193 |
| Public Safety | 9,444,213 | 10,061,401 | 11,471,942 | 12,256,800 | 12,627,487 | 14,711,684 | 14,828,040 | 17,299,104 | 18,288,040 | 16,844,948 |
| Highways and streets | 16,398,865 | 18,761,577 | 19,189,813 | 16,985,576 | 18,086,167 | 21,698,854 | 23,468,870 | 24,484,988 | 22,718,957 | 22,344,981 |
| Economic development | 2,969,943 | 3,016,342 | 3,313,564 | 3,593,093 | 2,793,641 | 1,397,949 | 1,759,381 | 2,710,275 | 2,736,806 | 3,012,606 |
| Culture and recreation | 8,388,813 | 8,941,387 | 10,775,711 | 12,098,279 | 13,372,138 | 14,162,538 | 15,671,430 | 18,146,809 | 20,304,997 | 20,697,715 |
| Interest on long-term debt | 1,343,600 | 3,332,577 | 3,085,295 | 3,121,137 | 3,064,035 | 3,507,958 | 3,561,896 | 3,280,077 | 3,170,295 | 3,124,394 |
| Total governmental activities | 46,572,187 | 51,015,444 | 54,780,450 | 55,537,736 | 57,303,657 | 62,288,835 | 67,097,966 | 73,805,086 | 75,267,268 | 73,950,837 |
| **Business-type activities** | | | | | | | | | | |
| Stormwater | 1,067,780 | 1,054,138 | 1,161,176 | 1,168,038 | 1,229,667 | 1,251,752 | 1,506,469 | 1,272,332 | 1,343,807 | 1,354,836 |
| Total business-type activities | 1,067,780 | 1,054,138 | 1,161,176 | 1,168,038 | 1,229,667 | 1,251,752 | 1,506,469 | 1,272,332 | 1,343,807 | 1,354,836 |
| Total primary government expenses | 47,639,967 | 52,069,582 | 55,941,626 | 56,705,774 | 58,533,324 | 63,540,587 | 68,604,435 | 75,077,418 | 76,611,075 | 75,305,673 |
| **PROGRAM REVENUES** | | | | | | | | | | |
| **Governmental activities** | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 1,162,546 | 1,160,093 | 1,265,096 | 1,785,865 | 1,662,328 | 1,896,754 | 1,739,854 | 2,035,526 | 2,460,930 | 2,677,116 |
| Public Safety | 1,087,175 | 933,082 | 1,644,582 | 2,744,541 | 2,258,982 | 2,370,645 | 2,382,837 | 2,585,946 | 3,163,844 | 3,449,530 |
| Highways and streets | 271,425 | 267,836 | 181,631 | 238,825 | 258,392 | 255,575 | 267,423 | 371,664 | 349,746 | - |
| Culture and recreation | 3,806,322 | 3,949,712 | 4,242,299 | 5,229,698 | 5,617,513 | 6,131,830 | 6,468,303 | 7,752,464 | 8,487,493 | 8,800,811 |
| Operating grants and contributions | 3,561,585 | 424,223 | 447,045 | 623,401 | 681,578 | 1,286,208 | 1,316,066 | 1,346,955 | 1,635,599 | 2,026,371 |
| Capital grants and contributions | 26,391,843 | 18,569,656 | 15,435,210 | 5,937,163 | 3,967,083 | 28,329,345 | 25,001,874 | 32,430,951 | 7,515,745 | 11,467,640 |
| Total governmental activities | 36,280,896 | 25,304,602 | 23,215,863 | 16,559,493 | 14,445,876 | 40,270,357 | 37,176,357 | 46,523,506 | 23,613,357 | 28,421,468 |
| **Business-type activities** | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Stormwater utilities | 1,546,672 | 1,581,760 | 1,799,975 | 1,623,624 | 1,853,095 | 1,865,036 | 1,987,122 | 2,051,464 | 2,153,532 | 2,315,726 |
| Operating grants | - | - | - | - | - | - | - | - | 25,000 | - |
| Capital grants and contributions | - | - | 665,466 | 1,499,369 | 117,076 | 375,000 | 816,861 | 308,151 | 635,992 | 729,118 |
| Total business-type activities net position | 1,546,672 | 1,581,760 | 2,465,441 | 3,122,993 | 1,970,171 | 2,240,036 | 2,803,983 | 2,359,615 | 2,814,524 | 3,044,844 |
| Total primary government program revenues | 37,827,568 | 26,886,362 | 25,681,304 | 19,682,486 | 16,416,047 | 42,510,393 | 39,980,340 | 48,883,121 | 26,427,881 | 31,466,312 |

(continued)

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **NET REVENUE (EXPENSE)** | | | | | | | | | | |
| Governmental activities | $ (10,291,291) | $ (25,710,842) | $ (32,457,406) | $ (39,871,061) | $ (42,857,781) | $ (22,018,478) | $ (29,921,609) | $ (27,281,580) | $ (51,653,911) | $ (45,529,369) |
| Business-type activities | 478,892 | 527,622 | 1,304,265 | 1,954,955 | 740,504 | 988,284 | 875,653 | 1,087,283 | 1,470,717 | 1,690,008 |
| Total primary government | (9,812,399) | (25,183,220) | (31,153,141) | (37,916,106) | (42,117,277) | (21,030,194) | (29,045,956) | (26,194,297) | (50,183,194) | (43,839,361) |
| **GENERAL REVENUES** | | | | | | | | | | |
| **Governmental activities** | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Sales and use | 25,757,020 | 26,258,358 | 27,682,440 | 31,544,854 | 33,564,104 | 37,202,194 | 39,469,983 | 42,280,470 | 45,358,682 | 47,684,424 |
| Sales and use shareback | 2,436,556 | 2,414,311 | 1,956,670 | 2,264,021 | 2,363,634 | 2,571,241 | 2,766,212 | 2,826,421 | 3,009,442 | 3,182,342 |
| Property | 1,624,673 | 1,646,471 | 1,644,026 | 1,538,460 | 1,552,808 | 1,584,849 | 1,590,673 | 1,873,217 | 1,933,397 | 2,187,893 |
| Road and bridge property shareback | 1,290,567 | 1,327,822 | 1,315,059 | 1,205,315 | 1,223,658 | 1,231,030 | 1,238,675 | 1,416,787 | 1,483,059 | 1,661,505 |
| Excise - new development | 244,613 | 492,641 | 848,135 | 1,715,587 | 1,446,864 | 2,655,816 | 2,064,824 | 2,798,039 | 3,321,992 | 3,735,299 |
| Franchise | 810,410 | 810,749 | 792,431 | 768,219 | 841,671 | 905,961 | 921,013 | 958,966 | 1,005,952 | 1,012,200 |
| Excise - electric | 663,603 | 837,415 | 881,280 | 948,387 | 1,032,692 | 1,033,396 | 1,075,865 | 1,109,342 | 1,127,580 | 1,182,279 |
| Highway users | 1,035,572 | 1,198,340 | 1,240,219 | 1,271,073 | 1,291,998 | 1,330,821 | 1,384,719 | 1,410,917 | 1,437,765 | 1,517,429 |
| Other | 533,810 | 481,488 | 474,561 | 605,115 | 724,293 | 873,905 | 837,139 | 900,536 | 1,290,884 | 227,877 |
| Unrestricted investment earnings | 291,407 | 238,428 | 207,450 | 128,753 | 57,196 | 165,731 | 186,084 | 390,806 | 427,883 | 1,122,493 |
| Gain on disposal of property | - | - | - | - | 210,196 | 50,343 | 85,506 | 121,277 | 76,403 | - |
| Transfers | - | - | - | - | 68,164 | 51,421 | 185,455 | 185,520 | 185,234 | 224,785 |
| Total governmental activities | 34,688,231 | 35,706,023 | 37,042,271 | 41,989,784 | 44,377,278 | 49,656,708 | 51,806,148 | 56,272,298 | 60,658,273 | 63,738,526 |
| **Business-type activities** | | | | | | | | | | |
| Unrestricted investment earnings | 7,850 | 5,314 | 7,182 | 5,233 | 3,004 | 11,657 | 9,671 | 24,378 | 32,004 | 84,210 |
| Contributions | - | - | - | - | 22,000 | - | - | - | - | - |
| Gain on disposal of property | - | - | - | - | 5,278 | - | - | - | - | - |
| Transfers | - | - | - | - | (68,164) | (51,421) | (185,455) | (185,520) | (185,234) | (224,785) |
| Total business-type activities | 7,850 | 5,314 | 7,182 | 5,233 | (37,882) | (39,764) | (175,784) | (161,142) | (153,230) | (140,575) |
| **CHANGES IN NET POSITION** | | | | | | | | | | |
| Governmental activities | 24,396,940 | 9,995,181 | 5,477,684 | 2,118,723 | 1,519,497 | 27,638,230 | 21,884,539 | 28,990,718 | 9,004,362 | 18,209,157 |
| Business-type activities | 486,742 | 532,936 | 1,311,447 | 1,960,188 | 702,622 | 948,520 | 1,121,730 | 926,141 | 1,317,487 | 1,549,433 |
| Total primary government | $ 24,883,682 | $ 10,528,117 | $ 6,789,131 | $ 4,078,911 | $ 2,222,119 | $ 28,586,750 | $ 23,006,269 | $ 29,916,859 | $ 10,321,849 | $ 19,758,590 |

(concluded)

# TOWN OF PARKER, COLORADO
## Table 3
## Government-wide
## Fund Balances
## (Accrual Basis of Accounting)
## Last Ten Years

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GENERAL FUND** | | | | | | | | | | |
| Nonspendable | $ - | $ - | $ 119,063 | $ 151,265 | $ 261,426 | $ 318,111 | $ 44,718 | $ 76,740 | $ 297,866 | $ 254,507 |
| Restricted | - | - | 5,194,016 | 5,354,756 | 5,389,861 | 5,552,094 | 5,541,125 | 5,817,069 | 5,974,487 | 6,253,523 |
| Assigned | - | - | 3,805,900 | 3,916,400 | 3,558,911 | 8,786,164 | 9,507,005 | 7,565,660 | 1,991,401 | 2,037,680 |
| Unassigned | - | - | 13,677,803 | 14,554,422 | 12,496,031 | 10,685,656 | 8,009,300 | 7,452,185 | 11,239,476 | 14,537,546 |
| Reserved | 7,594,958 | 5,448,620 | - | - | - | - | - | - | - | - |
| Unreserved | 15,942,148 | 16,927,772 | - | - | - | - | - | - | - | - |
| Total general fund | 23,537,106 | 22,376,392 | 22,796,782 | 23,976,843 | 21,706,229 | 25,342,025 | 23,102,148 | 20,911,654 | 19,503,230 | 23,083,256 |
| **ALL OTHER GOVERNMENTAL FUNDS** | | | | | | | | | | |
| Nonspendable | - | - | 1,787 | 20,844 | 61,087 | 185,781 | 81,162 | 147,447 | 218,433 | 103,647 |
| Restricted | - | - | 9,056,847 | 10,889,852 | 18,145,409 | 27,808,739 | 23,754,974 | 19,896,460 | 20,224,014 | 28,966,757 |
| Assigned | - | - | 11,698,480 | 11,412,243 | 11,394,563 | 9,229,681 | 12,404,934 | 9,362,147 | 11,592,378 | 15,565,011 |
| Unassigned | - | - | - | (124) | - | (280,669) | (64,666) | - | - | - |
| Reserved | 5,140,674 | 5,193,239 | - | - | - | - | - | - | - | - |
| Unreserved | 45,934,115 | 23,465,168 | - | - | - | - | - | - | - | - |
| Total all other governmental funds | 51,074,789 | 28,658,407 | 20,757,114 | 22,322,815 | 29,601,059 | 36,943,532 | 36,176,404 | 29,406,054 | 32,034,825 | 44,635,415 |
| Total governmental funds | $ 74,611,895 | $ 51,034,799 | $ 43,553,896 | $ 46,299,658 | $ 51,307,288 | $ 62,285,557 | $ 59,278,552 | $ 50,317,708 | $ 51,538,055 | $ 67,718,671 |

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Sales and use | $ 25,757,020 | $ 26,258,358 | $ 27,682,440 | $ 31,544,854 | $ 33,564,104 | $ 37,202,194 | $ 39,469,983 | $ 42,280,470 | $ 45,358,682 | $ 47,684,424 |
| Excise - new development | 244,613 | 492,641 | 848,135 | 1,715,587 | 1,446,864 | 2,655,816 | 2,064,824 | 2,798,039 | 3,321,992 | 3,735,299 |
| Other | 3,184,960 | 3,394,318 | 3,419,485 | 3,354,214 | 3,532,832 | 3,670,706 | 3,747,204 | 4,107,324 | 4,233,943 | 4,553,702 |
| License and permits | 1,093,295 | 799,627 | 925,714 | 2,141,881 | 1,537,271 | 1,833,383 | 1,650,645 | 1,828,083 | 2,287,377 | 2,541,078 |
| Intergovernmental | 8,915,641 | 6,063,146 | 5,500,864 | 6,722,266 | 7,546,399 | 8,257,226 | 11,199,682 | 9,117,780 | 9,953,987 | 11,434,061 |
| Charges for services | 4,689,265 | 5,040,283 | 5,989,259 | 7,348,930 | 7,893,156 | 8,432,728 | 8,752,358 | 10,199,073 | 11,557,772 | 11,952,230 |
| Fines and forfeitures | 265,454 | 267,467 | 324,724 | 264,020 | 255,476 | 265,028 | 280,844 | 309,359 | 286,070 | 222,781 |
| Contributions | 3,682,788 | 1,024,365 | 1,398,752 | 708,839 | 222,933 | 3,763,471 | 3,225,342 | 4,678,150 | 2,613,170 | 4,860,566 |
| Net investment earnings | 290,986 | 238,044 | 206,913 | 127,886 | 56,315 | 165,227 | 183,151 | 380,684 | 409,681 | 1,075,836 |
| Miscellaneous | 281,867 | 203,346 | 265,388 | 341,041 | 165,790 | 148,563 | 176,243 | 362,843 | 268,203 | 212,123 |
| Total revenues | 48,405,889 | 43,781,595 | 46,561,674 | 54,269,518 | 56,221,140 | 66,394,342 | 70,750,276 | 76,061,805 | 80,290,877 | 88,272,100 |
| **EXPENDITURES** | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | 7,492,409 | 6,468,708 | 6,572,669 | 7,811,959 | 7,516,436 | 6,959,820 | 7,059,394 | 8,160,682 | 8,363,119 | 7,616,810 |
| Public safety | 8,894,150 | 9,193,875 | 9,882,527 | 11,232,977 | 11,715,663 | 13,275,289 | 14,008,600 | 16,329,288 | 17,330,466 | 17,041,533 |
| Highways and streets | 6,158,863 | 7,436,524 | 7,371,099 | 5,233,772 | 6,605,289 | 10,022,553 | 10,961,773 | 12,030,625 | 7,961,835 | 8,836,223 |
| Economic development | 2,969,943 | 3,016,342 | 3,313,564 | 3,593,093 | 2,793,641 | 1,397,949 | 1,759,381 | 2,710,275 | 2,736,806 | 3,012,606 |
| Culture and recreation | 6,820,653 | 7,323,106 | 8,719,564 | 9,775,301 | 11,076,229 | 11,863,793 | 13,268,624 | 15,433,724 | 17,169,626 | 17,268,633 |
| Building | - | - | - | - | - | 137,972 | 354,684 | 21,679 | 18,378 | 112,202 |
| Debt Service | | | | | | | | | | |
| Principal | 3,425,000 | 2,680,000 | 2,050,000 | 1,880,000 | 1,930,000 | 1,975,000 | 2,765,000 | 2,935,000 | 3,020,000 | 3,105,000 |
| Interest | 840,983 | 3,324,136 | 3,216,048 | 3,148,723 | 3,091,892 | 3,428,097 | 3,650,044 | 3,331,938 | 3,221,901 | 3,121,894 |
| Fiscal charges | 2,292 | 2,157 | 1,150 | 1,150 | 1,150 | 650 | 72,362 | 2,500 | 2,500 | 2,500 |
| Capital outlay | 16,908,159 | 28,616,852 | 13,808,775 | 9,739,601 | 6,958,392 | 26,612,624 | 20,067,312 | 24,321,608 | 19,454,724 | 12,929,014 |
| Total expenditures | 53,512,452 | 68,061,700 | 54,935,395 | 52,416,576 | 51,688,692 | 75,673,747 | 73,967,174 | 85,277,319 | 79,279,355 | 73,046,415 |

(continued)

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Excess of revenues over (under) expenditures | $ (5,106,563) | $ (24,280,105) | $ (8,373,721) | $ 1,852,942 | $ 4,532,448 | $ (9,279,405) | $ (3,216,898) | $ (9,215,514) | $ 1,011,522 | $ 15,225,685 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | | | |
| Transfers in | 12,105,733 | 4,523,184 | 5,297,975 | 6,470,751 | 5,409,859 | 5,639,137 | 18,413,380 | 9,432,793 | 14,319,311 | 10,698,637 |
| Transfers out | (12,105,733) | (4,523,184) | (5,297,975) | (6,470,751) | (5,409,859) | (5,587,716) | (18,212,925) | (9,247,273) | (14,134,077) | (9,812,347) |
| Proceeds from sale of capital assets | - | - | - | - | 410,664 | - | - | 4,960 | - | 12,094 |
| Insurance recoveries | - | - | - | - | 4,518 | 1,278 | 9,438 | 64,190 | 23,591 | 56,547 |
| 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 | 208,825 | 954,931 |
| **NET CHANGE IN FUND BALANCE** | $ 39,234,453 | $ (24,280,105) | $ (8,373,721) | $ 1,852,942 | $ 4,947,630 | $ 10,978,270 | $ (3,007,005) | $ (8,960,844) | $ 1,220,347 | $ 16,180,616 |
| Debt service as a percentage of noncapital expenditures | 11.7% | 15.2% | 12.8% | 11.8% | 11.2% | 11.0% | 12.0% | 10.3% | 10.4% | 10.4% |

(concluded)

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

| Revenue Source | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Taxes | | | | | | | | | | |
| Sales and use | $ 25,757,020 | $ 26,258,358 | $ 27,682,440 | $ 31,544,854 | $ 33,564,104 | $ 37,202,194 | $ 39,469,983 | $ 42,280,470 | $ 45,358,682 | $ 47,684,424 |
| Excise - new development | 244,613 | 492,641 | 848,135 | 1,715,587 | 1,446,864 | 2,655,816 | 2,064,824 | 2,798,039 | 3,321,992 | 3,735,299 |
| Property | 1,624,673 | 1,646,471 | 1,644,026 | 1,538,460 | 1,552,808 | 1,584,849 | 1,590,673 | 1,873,217 | 2,187,893 | - |
| Other | 1,560,287 | 1,747,847 | 1,775,459 | 1,815,754 | 1,980,024 | 2,085,857 | 2,156,531 | 2,234,107 | 2,046,050 | 4,553,702 |
| Licenses and permits | 1,093,295 | 799,627 | 925,714 | 2,141,881 | 1,537,271 | 1,833,383 | 1,650,645 | 1,828,083 | 2,287,377 | 2,541,078 |
| Intergovenmental | 8,915,641 | 6,063,146 | 5,500,864 | 6,722,266 | 7,546,399 | 8,257,226 | 11,199,682 | 9,117,780 | 9,953,987 | 11,434,061 |
| Charges for services | 4,689,265 | 5,040,283 | 5,989,259 | 7,348,930 | 7,893,156 | 8,432,728 | 8,752,358 | 10,199,073 | 11,557,772 | 11,952,230 |
| Fines and forfeitures | 265,454 | 267,467 | 324,724 | 264,020 | 255,476 | 265,028 | 280,844 | 309,359 | 286,070 | 222,781 |
| Contributions | 3,682,788 | 1,024,365 | 1,398,752 | 708,839 | 222,933 | 3,763,471 | 3,225,342 | 4,678,150 | 2,613,170 | 4,860,566 |
| Investment earnings | 290,986 | 238,044 | 206,913 | 127,886 | 56,315 | 165,227 | 183,151 | 380,684 | 409,681 | 1,075,836 |
| Miscellaneous | 281,867 | 203,346 | 265,388 | 341,041 | 165,790 | 148,563 | 176,243 | 362,843 | 268,203 | 212,123 |
| Total revenues | $ 48,405,889 | $ 43,781,595 | $ 46,561,674 | $ 54,269,518 | $ 56,221,140 | $ 66,394,342 | $ 70,750,276 | $ 76,061,805 | $ 80,290,877 | $ 88,272,100 |

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **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% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total sales tax rate | 8.1% | 8.1% | 8.1% | 8.0% | 8.0% | 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 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Food and general merchandise | $ 10,449,752 | $ 11,231,486 | $ 11,932,701 | $ 12,512,102 | $ 13,326,487 | $ 14,079,531 | $ 14,828,671 | $ 15,887,495 | $ 16,425,183 | $ 17,109,249 |
| Autos/automotive | 2,673,600 | 2,741,913 | 3,253,937 | 3,381,076 | 3,767,623 | 4,251,946 | 4,703,968 | 4,895,696 | 5,127,387 | 5,486,647 |
| Restaurants | 2,724,477 | 2,779,452 | 2,817,692 | 3,203,384 | 3,400,109 | 3,706,758 | 4,036,686 | 4,113,937 | 4,526,234 | 4,841,181 |
| Home and garden | 1,696,579 | 1,733,165 | 1,997,852 | 2,279,132 | 2,565,017 | 2,742,637 | 3,105,588 | 3,377,818 | 3,582,751 | 3,816,678 |
| Specialty retail | - | - | 2,879,283 | 3,788,793 | 4,085,299 | 4,311,707 | 4,819,323 | 5,270,252 | 4,540,182 | 4,766,210 |
| Apparel and accessories | 717,944 | 233,498 | - | - | - | - | - | - | - | - |
| Furniture and décor | 594,031 | 564,651 | - | - | - | - | - | - | - | - |
| Miscellaneous retail | 2,582,194 | 2,648,418 | - | - | - | - | - | - | - | - |
| Utilities/telecommunications | 1,812,909 | 1,992,578 | 2,002,397 | 2,084,132 | 2,192,448 | 2,343,891 | 2,352,573 | 2,479,723 | 2,611,082 | 2,504,972 |
| Other | 1,167,414 | 1,050,710 | 1,458,016 | 1,614,152 | 1,644,931 | 1,717,371 | 2,454,736 | 2,747,499 | 4,395,413 | 5,114,804 |
| Total sales taxes | 24,418,900 | 24,975,871 | 26,341,878 | 28,862,771 | 30,981,914 | 33,153,841 | 36,301,545 | 38,772,420 | 41,208,232 | 43,639,741 |
| Building use taxes | 1,338,120 | 1,282,487 | 1,340,562 | 2,682,083 | 2,582,190 | 4,048,353 | 3,168,438 | 3,508,050 | 4,150,450 | 4,780,148 |
| Total sales and use taxes | $ 25,757,020 | $ 26,258,358 | $ 27,682,440 | $ 31,544,854 | $ 33,564,104 | $ 37,202,194 | $ 39,469,983 | $ 42,280,470 | $ 45,358,682 | $ 48,419,889 |

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 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Aggregate top ten filers | $ 12,477,140 | $ 12,366,466 | $ 13,355,597 | $ 15,225,597 | $ 16,299,120 | $ 17,332,923 | $ 18,185,261 | $ 18,913,823 | $ 19,710,475 | $ 20,842,083 |
| Aggregate all other filers | 11,941,760 | 12,609,405 | 12,986,281 | 13,637,174 | 14,682,794 | 15,820,918 | 18,116,284 | 19,858,597 | 21,497,757 | 22,797,658 |
| Total sales taxes | 24,418,900 | 24,975,871 | 26,341,878 | 28,862,771 | 30,981,914 | 33,153,841 | 36,301,545 | 38,772,420 | 41,208,232 | 43,639,741 |
| Top ten filers as a percentage of total sales tax | 51.10% | 49.51% | 50.70% | 52.75% | 52.61% | 52.28% | 50.10% | 48.78% | 47.83% | 47.76% |

2017 Top ten filers in alphabetical order: Costco Wholesale #1022, Douglas County, Intermountain Rural Electric Association, Dillon Companies Inc 75, Dillon Companies Inc 88, Dillon Companies Inc 126, Lowe's Home Centers LLC, Target Corporation, The Home Depot USA Inc, Walmart Stores Inc

Source: Town of Parker Finance department

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GOVERNMENTAL ACTIVITIES** | | | | | | | | | | |
| Sales and use tax revenue bonds | $ 14,600,000 | $ 13,730,000 | $ 12,825,000 | $ 12,125,000 | $ 11,400,000 | $ 10,655,000 | $ 9,880,000 | $ 8,985,000 | $ 8,070,000 | $ 7,135,000 |
| Certificates of participation | 46,060,000 | 44,250,000 | 43,105,000 | 41,925,000 | 40,720,000 | 59,010,000 | 57,020,000 | 54,980,000 | 52,875,000 | 50,705,000 |
| Discount | - | - | - | - | - | (63,065) | (59,803) | (56,541) | (53,279) | (50,017) |
| Premium | - | - | - | - | - | 662,143 | 627,894 | 593,645 | 559,396 | 525,147 |
| Total governmental activities | 60,660,000 | 57,980,000 | 55,930,000 | 54,050,000 | 52,120,000 | 70,264,078 | 67,468,091 | 64,502,104 | 61,451,117 | 58,315,130 |
| Total primary government | $ 60,660,000 | $ 57,980,000 | $ 55,930,000 | $ 54,050,000 | $ 52,120,000 | $ 70,264,078 | $ 67,468,091 | $ 64,502,104 | $ 61,451,117 | $ 58,315,130 |
| Debt per capita | $ 1,340 | $ 1,280 | $ 1,222 | $ 1,152 | $ 1,090 | $ 1,428 | $ 1,320 | $ 1,320 | $ 1,188 | $ 1,091 |
| Debt as percentage of personal income | 2.85% | 2.67% | 2.35% | 1.53% | 1.38% | 1.72% | 1.52% | 1.52% | 1.08% | 98.00% |

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Pledged revenues** | | | | | | | | | | |
| Sales taxes (1) | $ 20,444,027 | $ 20,955,040 | $ 21,950,246 | $ 24,052,309 | $ 25,818,525 | $ 27,628,021 | $ 30,251,287 | $ 32,309,990 | $ 34,340,193 | $ 35,753,563 |
| Use taxes (2) | 1,020,162 | 926,956 | 1,117,877 | 2,234,997 | 2,209,197 | 3,459,942 | 2,686,658 | 2,983,632 | 3,525,829 | 4,044,683 |
| Total available revenues | 21,464,189 | 21,881,996 | 23,068,123 | 26,287,306 | 28,027,722 | 31,087,963 | 32,937,945 | 35,293,622 | 37,866,022 | 39,798,246 |
| **Annual debt service** | | | | | | | | | | |
| *Principal* | | | | | | | | | | |
| 1998 Sales and use tax bonds | 1,740,000 | - | - | - | - | - | - | - | - | - |
| 2006 Sales and use tax bonds (3) | 840,000 | 870,000 | 905,000 | 700,000 | 725,000 | 745,000 | 775,000 | - | - | - |
| 2015 Sales and use tax bonds | - | - | - | - | - | - | - | 895,000 | 915,000 | 935,000 |
| *Interest* | | | | | | | | | | |
| 1998 Sales and use tax bonds | 83,095 | - | - | - | - | - | - | - | - | - |
| 2006 Sales and use tax bonds | 646,825 | 612,625 | 577,125 | 544,150 | 513,869 | 481,700 | 449,438 | - | - | - |
| 2015 Sales and use tax bonds | - | - | - | - | - | - | - | 203,389 | 178,601 | 163,454 |
| Total debt service | 3,309,920 | 1,482,625 | 1,482,125 | 1,244,150 | 1,238,869 | 1,226,700 | 1,224,438 | 1,098,389 | 1,093,601 | 1,098,454 |
| Excess revenue coverage | $ 18,154,269 | $ 20,399,371 | $ 21,585,998 | $ 25,043,156 | $ 26,788,853 | $ 29,861,263 | $ 31,713,507 | $ 34,195,233 | $ 36,772,421 | $ 38,699,792 |
| Annual debt service coverage | 6.48 | 14.76 | 15.56 | 21.13 | 22.62 | 25.34 | 26.90 | 32.13 | 34.63 | 36.23 |
| **Maximum annual debt service** | | | | | | | | | | |
| 1998 Sales and use tax bonds | - | - | - | - | - | - | - | - | - | - |
| 2006 Sales and use tax bonds | 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 | 1,098,454 | 1,098,136 |
| Combined maximum annual debt service | $ 1,482,625 | $ 1,482,125 | $ 1,244,150 | $ 1,238,869 | $ 1,226,700 | $ 1,224,438 | $ 1,222,838 | $ 1,098,341 | $ 1,098,454 | $ 1,098,136 |
| Maximum debt service coverage | 14.48 | 14.76 | 18.54 | 21.22 | 22.85 | 25.39 | 26.94 | 32.13 | 34.47 | 36.24 |

(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 Outsanding | Percentage Applicable to Town (a) | Amount Applicable to Town |
|---|---|---|---|
| Direct debt: | | | |
| Town of Parker | $ 58,315,130 | 100.00% | $ 58,315,130 |
| Total direct debt | 58,315,130 | | 58,315,130 |
| Overlapping debt: | | | |
| Douglas County School District | 236,690,000 | 3.00% | 7,100,700 |
| Antelope Heights Metro District | 10,040,000 | 100.00% | 10,040,000 |
| Anthology West Metropolitan District | 8,101,500 | 100.00% | 8,101,500 |
| Canterberry Crossing Metro District | 8,935,000 | 100.00% | 8,935,000 |
| Canterberry Crossing II Metro District | 9,010,000 | 100.00% | 9,010,000 |
| Cherry Creek South #4-11 Metro District | 500,000 | 100.00% | 500,000 |
| Compark Business Park Metro District | 47,472,000 | 70.00% | 33,230,400 |
| Horse Creek Metro District | 4,170,000 | 100.00% | 4,170,000 |
| Horseshoe Ridge Metro District #1-3 | 3,850,000 | 100.00% | 3,850,000 |
| Jordan Crossing Metro District | 1,395,000 | 100.00% | 1,395,000 |
| Lincoln Meadows Metro District | 7,540,000 | 100.00% | 7,540,000 |
| Lincoln Park Metro District | 31,130,000 | 16.00% | 4,980,800 |
| Neu Towne Metro District | 11,000,000 | 100.00% | 11,000,000 |
| Olde Town Metro District | 875,000 | 100.00% | 875,000 |
| Overlook Metropolitan District | 7,130,000 | 100.00% | 7,130,000 |
| Parker Automotive Metro District | 11,686,000 | 100.00% | 11,686,000 |
| Parker Homestead Metro District | 8,245,000 | 100.00% | 8,245,000 |
| Pine Bluffs Metro District | 4,295,000 | 100.00% | 4,295,000 |
| Reata North Metro District | 10,635,000 | 100.00% | 10,635,000 |
| Regency Metro District | 3,304,000 | 100.00% | 3,304,000 |
| Robinson Ranch Metropolitan District | 670,000 | 100.00% | 670,000 |
| Salisbury Heights Metro District | 2,854,000 | 100.00% | 2,854,000 |
| Village on the Green Metro District | 1,383,000 | 100.00% | 1,383,000 |
| Cottonwood Water and Sanitation District | 12,945,964 | 92.00% | 11,910,287 |
| Parker Water and Sanitation District | 82,810,000 | 38.00% | 31,467,800 |
| Stonegate Village Metro District | 44,485,000 | 15.00% | 6,672,750 |
| Total overlapping debt | 571,151,464 | | 210,981,237 |
| Grand total direct and overlapping debt | $ 629,466,594 | | $ 269,296,367 |

(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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| Town Clerk | 3.0 | 3.0 | 2.5 | 2.5 | 2.5 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Municipal Court | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.6 | 2.6 | 2.6 | 3.4 | 2.8 |
| Town Administration | 5.0 | 5.0 | 4.0 | 3.0 | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 3.8 |
| Finance | 14.0 | 14.0 | 11.0 | 11.0 | 11.0 | 11.0 | 12.0 | 12.3 | 12.3 | 11.8 |
| Legal Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 4.0 |
| Human Resources | 4.0 | 4.0 | 4.0 | 5.0 | 5.0 | 6.0 | 6.0 | 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 | 25.8 | 25.8 | 21.0 | 21.0 | 22.0 | 22.5 | 22.0 | 23.8 | 24.8 | 24.3 |
| P3 Support Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.8 |
| Information Technology | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 10.0 | 11.0 | 11.0 | 12.0 | 12.0 |
| Communications | 3.0 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.0 | 4.0 | 4.0 |
| Customer Service | 5.6 | 5.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Economic Development | 1.0 | 1.0 | 1.0 | 1.0 | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 3.0 |
| **Public Safety** | 92.2 | 92.2 | 92.5 | 93.3 | 96.3 | 100.3 | 109.5 | 118.1 | 121.5 | 121.0 |
| **Public Works** | 51.8 | 53.3 | 49.5 | 49.5 | 50.3 | 50.5 | 55.2 | 57.6 | 57.9 | 58.6 |
| **Parks, Recreation and Culture** | 44.2 | 46.2 | 48.2 | 48.4 | 54.4 | 55.5 | 136.1 | 156.6 | 172.6 | 177.3 |
| | 264.4 | 268.4 | 254.6 | 255.6 | 268.4 | 277.5 | 374.5 | 407.6 | 432.1 | 438.0 |

Source: Town of Parker Finance department - Prior to 2015, employee count only includes Full Time employees

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General government** | | | | | | | | | | |
| Town hall | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other office buildings | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 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 | 2 | 2 | 2 | 2 |
| Miles of roadway | 159 | 171 | 177 | 178 | 180 | 182 | 184 | 187 | 189 | 194 |
| **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 | 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 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Local | 11 | 11 | 11 | 11 | 12 | 13 | 14 | 14 | 14 | 14 |

Source: Town of Parker

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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| *Building Permits:* | | | | | | | | | | |
| Single-family residential units | 43 | 112 | 183 | 381 | 332 | 347 | 312 | 291 | 421 | 381 |
| Valuation | $ 16,005,637 | $ 32,509,630 | $ 55,076,498 | $ 119,581,591 | $ 117,231,450 | $ 119,630,934 | $ 106,788,354 | $ 104,587,047 | $ 154,363,845 | $ 142,150,155 |
| Multi-family residential units | - | 7 | 7 | 38 | - | 9 | 23 | 39 | 19 | 44 |
| Valuation | $ - | $ 1,295,564 | $ 1,338,620 | $ 7,420,142 | $ - | $ 34,373,298 | $ 49,091,908 | $ 46,291,379 | $ 48,540,272 | $ 61,744,162 |
| Total commercial new, remodel and other | 631 | 466 | 416 | 515 | 628 | 637 | 489 | 779 | 1,024 | 952 |
| Valuation | $ 41,666,769 | $ 36,123,583 | $ 25,251,892 | $ 19,139,318 | $ 27,232,684 | $ 88,644,852 | $ 56,552,496 | $ 74,862,413 | $ 56,268,320 | $ 86,277,189 |
| *Tax and Licensing:* | | | | | | | | | | |
| Business licenses issued | 513 | 458 | 333 | 749 | 631 | 487 | 492 | 482 | 519 | 552 |
| **Public Safety** | | | | | | | | | | |
| *Police:* | | | | | | | | | | |
| Calls for service * | 65,821 | 63,995 | 58,009 | 60,084 | 65,122 | 65,987 | 68,577 | 73,133 | 85,894 | 89,417 |
| Total charges * | 4,841 | 4,379 | 4,431 | 5,325 | 5,218 | 5,696 | 5,813 | 5,183 | 6,097 | 6,061 |
| *Building Inspection:* | | | | | | | | | | |
| Total building inspections | 18,122 | 14,490 | 16,061 | 34,622 | 27,238 | 25,170 | 29,015 | 27,707 | 33,972 | 40,658 |
| **Highways and Streets** | | | | | | | | | | |
| *Streets:* | | | | | | | | | | |
| New roadway additions (miles) | 14 | 12 | 6 | 1 | 2 | 2 | 4 | 0 | 2 | 5 |
| **Parks and Recreation** | | | | | | | | | | |
| *Recreation:* | | | | | | | | | | |
| Adult sports leagues | 8 | 7 | 8 | 8 | 8 | 8 | 7 | 28 | 28 | 28 |
| Youth sports leagues | 14 | 15 | 17 | 17 | 23 | 24 | 26 | 30 | 34 | 34 |
| Adult league attendance | 6,195 | 5,874 | 5,556 | 6,584 | 6,036 | 5,183 | 5,306 | 5,997 | 6,116 | 6,500 |
| Youth league attendance | 8,754 | 8,813 | 8,438 | 9,360 | 10,576 | 11,083 | 10,047 | 10,442 | 10,474 | 10,500 |

*** 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 likely, 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

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| Area in square miles | 20.50 | 20.50 | 20.80 | 21.20 | 21.20 | 21.28 | 21.54 | 21.78 | 21.82 | 22.20 |
| Housing units | 16,508 | 16,620 | 16,731 | 17,133 | 17,451 | 17,798 | 18,752 | 19,011 | 19,810 | 19,949 |
| Population | 45,259 | 45,297 | 45,758 | 46,919 | 47,823 | 48,789 | 50,677 | 51,023 | 51,715 | 53,428 |
| Average persons per household | 2.85 | 2.85 | 2.84 | 2.84 | 2.84 | 2.84 | 2.80 | 2.68 | 2.61 | 2.68 |
| Median age | 35.40 | 36.60 | 36.10 | 35.80 | 34.40 | 34.70 | 34.90 | 34.60 | 34.62 | 35.00 |
| High school graduates - persons age 25+ | 97.0% | 97.0% | 97.1% | 97.2% | 97.5% | 97.4% | 97.7% | 97.7% | 97.8% | 97.4% |
| Bachelor's degree or higher - persons age 25+ | 45.3% | 45.3% | 46.9% | 47.5% | 48.5% | 50.2% | 53.5% | 52.6% | 53.7% | 54.0% |
| Unemployment rate | 5.0% | 5.2% | 6.3% | 5.9% | 5.0% | 3.6% | 2.7% | 2.1% | 2.4% | 2.3% |
| Median household income | $ 87,098 | $ 88,644 | $ 92,917 | $ 95,618 | $ 96,772 | $ 98,170 | $ 100,469 | $ 101,969 | $ 110,534 | $ 111,749 |

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