



Town of  
**Parker** COLORADO™

*A full-service community with a hometown feel*

# Comprehensive Annual Financial Report

*For the year ended December 31, 2014*





**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

***Town of Parker, Colorado  
For the Year Ended December 31, 2014***

**Prepared by the Finance Department**

Donald Warn, Finance Director  
Member of the Government Finance Officers Association

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



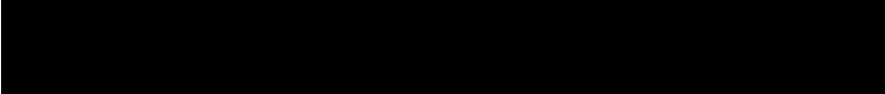


**TOWN OF PARKER, COLORADO**  
**TABLE OF CONTENTS**  
**DECEMBER 31, 2014**

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	v
Certificate of Achievement for Excellence in Financial Reporting	xiii
Town Officials	xiv
Organizational Chart	xv
Geographic Location	xvi
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report	3
Management's Discussion and Analysis	5
 <b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	19
Statement of Activities	20
<b>Fund Financial Statements</b>	
<i>Governmental Funds</i>	
Balance Sheet	21
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	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund	25
Parks and Recreation Fund	27
PACE Fund	28
Maintstreet Center Fund	29
Public Improvements Fund	30
<i>Proprietary Funds</i>	
Statement of Net Position	31
Statement of Revenues, Expenses, and Changes in Net Position	32
Statement of Cash Flows	33
<i>Fiduciary Fund</i>	
Statement of Fiduciary Net Position	34
<b>Notes to the Financial Statements</b>	35
 <b>Combining and Individual Fund Statements</b>	
<b>Other (Non-major) Governmental Funds</b>	
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	60
Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
<i>Special Revenue Funds</i>	
Conservation Trust Fund	62
Law Enforcement Assistance Fund	63
Recreation Fund	64
Parker Authority for Reinvestment	65
Greater Parker Foundation	66

**TOWN OF PARKER, COLORADO**  
**TABLE OF CONTENTS**  
**DECEMBER 31, 2014**

	<u>Page</u>
<b>Combining and Individual Fund Statements and Statements</b>	
<b>Other (Non-major) Governmental Funds (continued)</b>	
Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (cont.)	
<i>Capital Projects Funds</i>	
Excise Tax Fund	67
Police Station/PACE Center Construction Fund	68
Parkglenn Construction Fund	69
<i>Debt Service Fund</i>	
General Debt Fund	70
Recreation Debt Fund	71
<b>Internal Service Funds</b>	
Combining Statement of Net Position	73
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	74
Combining Statement of Cash Flows	75
Statement of Revenues, Expenditures, and Changes in Funds Available –Budgetary Basis	
Fleet Services Fund	76
Technology Management Fund	77
Facility Services Fund	78
<b>Enterprise Fund</b>	
Statement of Revenues, Expenditures, and Changes in Funds Available – Budgetary Basis	
Stormwater Utility Fund	80
<b>Agency Fund</b>	
Statement of Changes in Fiduciary Assets and Liabilities	82
<b>Other Schedules</b>	
Local Highway Finance Report	84
 <b>STATISTICAL SECTION</b>	
<b>Financial Trends</b>	
<b>Government-wide</b>	
Net Position	90
Changes in Net Position	91
<b>Governmental Funds</b>	
Fund Balances	93
Changes in Fund Balances	94
<b>Revenue Capacity</b>	
Governmental Revenues by Source	96
Direct and Overlapping Sales Tax Rates	97
Sales and Use Tax Revenue by Type of Industry	98
Principal Sales and Use Tax Payers	99
<b>Debt Capacity</b>	
Ratios of Outstanding Debt by Type	100
Pledged Revenues Debt Service Coverage	101
Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds	102
<b>Operations</b>	
Governmental Employees by Function (Full-time Equivalents)	103
Capital Assets by Function and Program	104
Operating Indicators by Function	105
<b>Demographic and Economic Information</b>	
Demographic and Economic Information	107



# INTRODUCTORY SECTION







**June 8, 2015**

**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, 2014. 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 an unmodified ("clean") opinion on the Town's financial statements for the fiscal year ended December 31, 2014. Their report is presented as the first component of the financial section of this CAFR.

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

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

**PROFILE OF THE TOWN**

The Town incorporated in 1981 and adopted its Home Rule Charter on February 7, 1984. The Town is a growing community encompassing an area of approximately 21 square miles. The Town is located in northeastern Douglas County, about 20 miles southeast of Denver and is included in the Denver Metropolitan Area. The population of the Town is approximately 48,800. From 2005 to 2007, population growth averaged over 3 percent but because of the downturn in the economy and housing market and home construction decline, population growth slowed significantly. From 2008 to 2010, population growth averaged just over one percent annually. However, with the rebound in the economy and renewed growth in construction, population growth averaged two percent annually from 2011 to 2014. The Town continues to rank high in the state and metro area in education level with 97.2 percent of

residents (aged 25 or older) with a high school diploma and 49.8 percent with a bachelor degree or higher. Median household income also ranks above average at \$90,148. The Town operates under a Council-Administrator form of government. The community at large elects six Councilmembers and the Mayor to staggered four-year terms with no more than three Councilmembers' terms expiring every two years. The Town Council appoints the Town Attorney, the Municipal Court Judge and the Town Administrator. The Town Administrator is the Chief Administrative Officer of the Town.

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

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

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

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

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

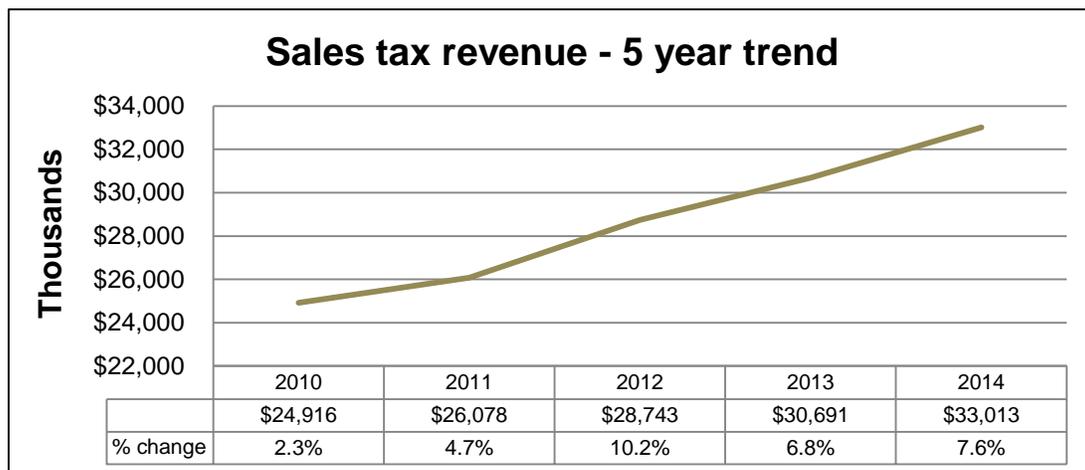
## ECONOMIC CONDITIONS

The Town concluded the year in excellent financial condition, as indicated in this December 31, 2014 financial report.

It appears that the economic decline, which started in 2006, reached its lowest point in 2009 and began to improve in 2010. From 2011 through 2014, the local economy improved dramatically.

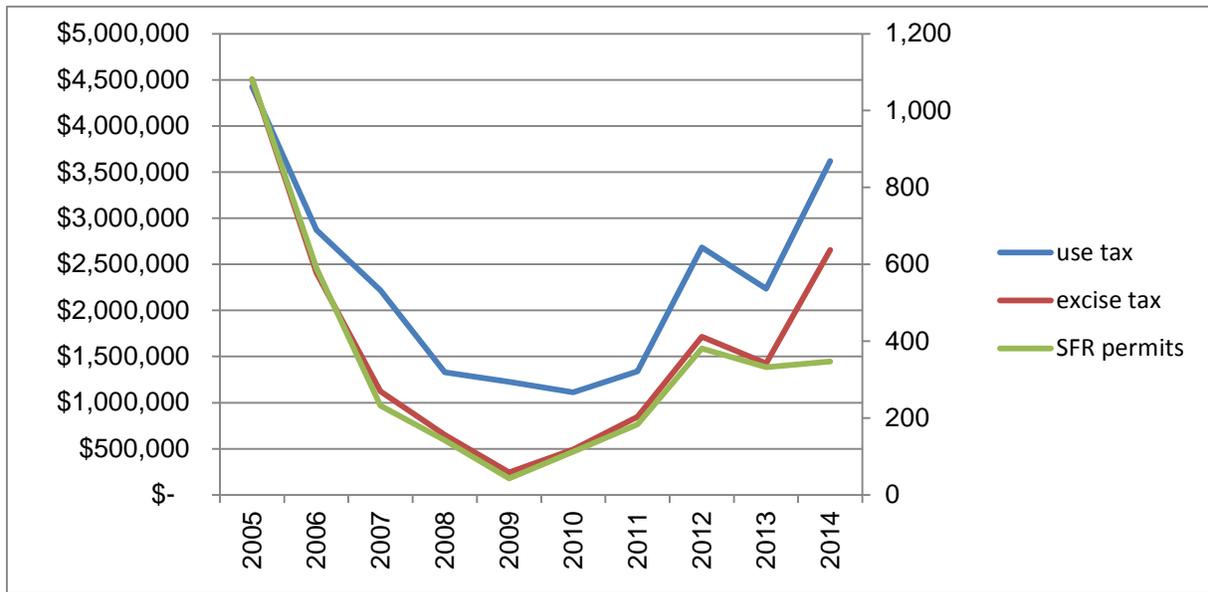
Local retail sales growth, as evidenced by sales tax receipts, remained positive during the downturn. Sales tax, the Town's largest revenue source increased 7.6 percent in 2014 compared to 2013, which in turn was 6.8 percent greater than 2012. Unlike many governments across the nation and fortunately for the Town, sales tax revenues never dipped during this economic downturn. This was due to Costco, a large regional wholesale/retail warehouse, coming to the Town in August 2008. Chart 1 below illustrates the sales tax growth from 2010 through 2014.

**Chart 1. Sales tax**

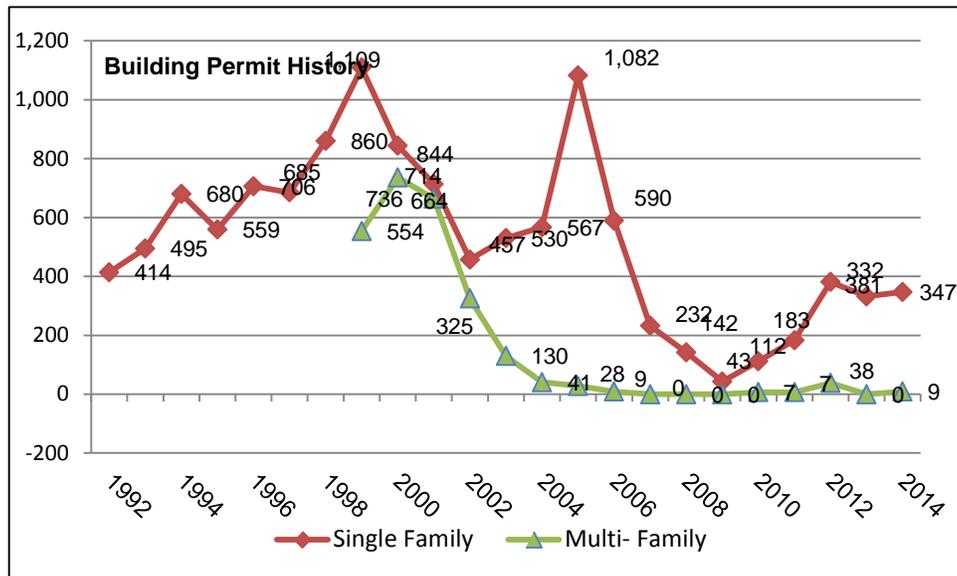


After a three-year decline that started in 2006, new home construction and the revenues associated with it, rebounded in 2010. In the subsequent years, the Town has seen significant improvement in construction related revenues. In 2014, use tax revenue was up 62 percent and excise tax revenue increased by 84 percent over the prior year, due to the 62 percent increase in the valuation of total building permits. However, to put the 2013/2014 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 2014 is almost eight times the number issued in 2009, which is the lowest point of the downturn and the lowest point in 20 years, that number is still only half of the averages experienced prior to 2007. Charts 2 and 3 illustrate the historical trends for use tax, excise tax and number of single family residential permits issued.

**Chart 2. Use tax, excise tax and SFR permits issued**



**Chart 3. Building permits issued**



As the economy improved, Parker saw the unemployment rate drop steadily from a high of 7.6 percent in February 2011 to 3.8 percent at the end of 2014 and is now closer to the annual average of 3.29 percent from 2003 to 2010. This is a significant improvement from the 5.4 percent a year ago. Although the Town’s rate has been higher the past three years compared to the six years before, the Town has fared better than the State, which had a 4.2 percent unemployment rate at the end of 2014. The national unemployment rate was 5.6 percent.

For the fifth consecutive year, the Town developed the 2015 Annual Budget using a conservative approach. While we believe that the economy has recovered as indicated by improved

unemployment rates, construction figures, housing sales and consumer confidence, we felt it prudent to continue with a realistic, yet conservative approach. Therefore, with our cautious optimism for the outlook on the economy, we projected moderate revenue increases for 2015.

Given our conservative revenue projections, we once again built the budget on more of a zero-based approach than an incremental approach, with any incremental increases tied to inflation projections; however, we felt that it was imperative that we continue to return to proper levels of infrastructure maintenance and replacement of aging equipment, both of which had been deferred from 2009 to 2011. Even though there was a right-sizing initiative that was done in early 2011 for budgetary reasons, the Town continued its efforts to keep our compensation plan based on the market in order to retain our dedicated and talented staff. In addition, the 2015 budget included several new positions to deal with the growth that the Town is experiencing.

### **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

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

#### Organizational Culture

The Town is committed to maintaining a friendly, hometown atmosphere by investing in a high-performance organization and work culture. We will provide a positive organizational culture in which we recruit, retain and promote the best employees who reinforce the Town's Core Values of teamwork, quality service, integrity and innovation, as well as exhibit enthusiasm, feel valued and find joy in their commitment to providing service delivery to the community. We will create a culture of trust among employees, elected officials and the community through our commitment to our customers, both internal and external, and working with all stakeholders to achieve success.

#### Strategies:

- Provide employees with ongoing training and educational opportunities (internal and external resources, seminars, conferences)
- Develop and implement Department succession plans
- Create a variety of employee appreciation and recognition programs and events
- Place an emphasis on encouraging and providing effective employee communication (intranet, surveys, employee committee)
- Create an efficient and effective communication system where the decision-making process is transparent and all employees are well informed.
- Develop an internal leadership/supervisor's academy for Town employees

## Parks, Recreation and Open Space

The Town will be the regional leader serving all ages by providing comprehensive recreational opportunities.

### Strategies:

- Develop the Salisbury Park Master Plan
- Develop the O'Brien Park North Master Plan
- Investigate the feasibility of a Competitive Aquatic Center
- Expand the Parker Recreation Center
- Concept and development of East Mainstreet Site
- Explore and recommend Rueter-Hess regional partnership and plan

## Arts and Culture

The Town will maintain a connection to our past while growing our identity as a vibrant arts, science, culture and entertainment destination, embracing innovation and collaboration to enable active community engagement through access to arts, culture, history, and science programs and educational opportunities for its citizens and visitors.

### Strategies:

- Develop and implement marketing strategies to promote the Town as an Arts, Culture and Entertainment destination, including PACE, Mainstreet Center, and the Creative District
- Develop a strategic plan to expand the performance market at PACE through national acts
- Use various media and capitalize on technology, including QR codes, social media, mobile apps, etc.
- Continue and expand collaborations and partnerships (with Library, schools, nonprofit and for-profit businesses, etc.)
- Develop a Creative District for the Town and apply to be a state-certified Creative District

## Economic Development

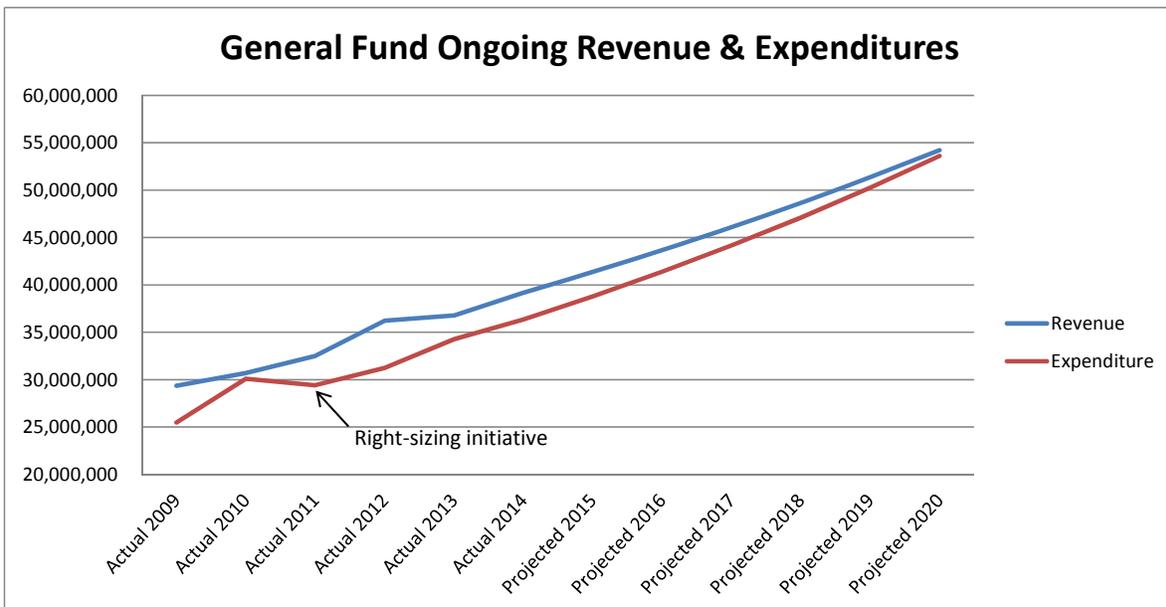
The Town will become the regional economic driver by pursuing expansion and annexation opportunities, capitalizing on the recruitment of new businesses in support of existing markets, developing off-the-shelf packages for different types of commercial and residential development, attracting and expanding higher education facilities, developing partnerships with utility providers, exploring national and international opportunities and capitalizing on Town opportunities represented in small and medium businesses.

Strategies:

- Identify and plan for the Town’s unmet market opportunities for business and employment growth. Narrow targeted industries (including, but not limited to medical, R&D, healthcare, etc.)
- Formulate a Business Roundtable to facilitate private sector input, and to create open and two-way communication. Identify common needs and where appropriate align visions.
- Enhance outreach and marketing programs (e.g., Structured Retention Visits with Council attendance) for public and business education, including promoting Town programs, such as PIP, BIT, etc.
- Leverage outreach and marketing opportunities with strategic partners ( e.g. DOLA and the State Office of Economic Development)
- Build a more comprehensive marketing program to expand business and economic development awareness regarding Town opportunities (e.g. increase Denver Business Journal exposure)
- Continue with and expand collaborations and partnerships (Chamber, Douglas County, towns and cities)

**RELEVANT FINANCIAL POLICIES**

It is the Town’s policy to maintain at least two months of operating expenditures (16.7 percent of the annual budgeted expenditures) in the fund balance of the General Fund. As of December 31, 2014, the actual unassigned fund balance of \$10 million was 28 percent of the General Fund actual expenditures, meeting the requirement. This is a very healthy fund balance and it is the intention to utilize the excess strategically to take advantage of opportunities as they arise. The Town does not monitor revenues and expenditures in the aggregate, but rather breaks out one-time revenues and expenditures from ongoing revenues and expenditures. This allows the Town the ability to ensure that ongoing expenditures are not exceeding ongoing revenues in both the near and long term. The expiration of economic incentive agreements, strong management of expenditures and economic improvement resulting in improving revenues; however, should continue to keep the Town in a positive position. In the event that expenditures begin to “catch-up” to revenues, the Town will take necessary actions to address the situation.



## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

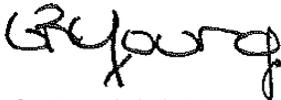
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2013. This was the 25th consecutive year that 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 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,



G. Randolph Young  
Town Administrator



Donald P. Warn  
Finance Director



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, 2013**

Executive Director/CEO

# 2014 TOWN OFFICIALS

## Mayor



Mike Waid

## Councilmembers



John Diak



Amy Holland



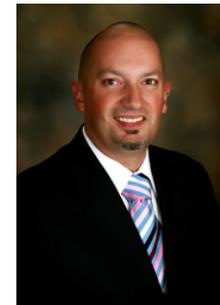
Renee Williams



Debbie Lewis



Josh Martin



Joshua Rivero

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## Appointed Officials

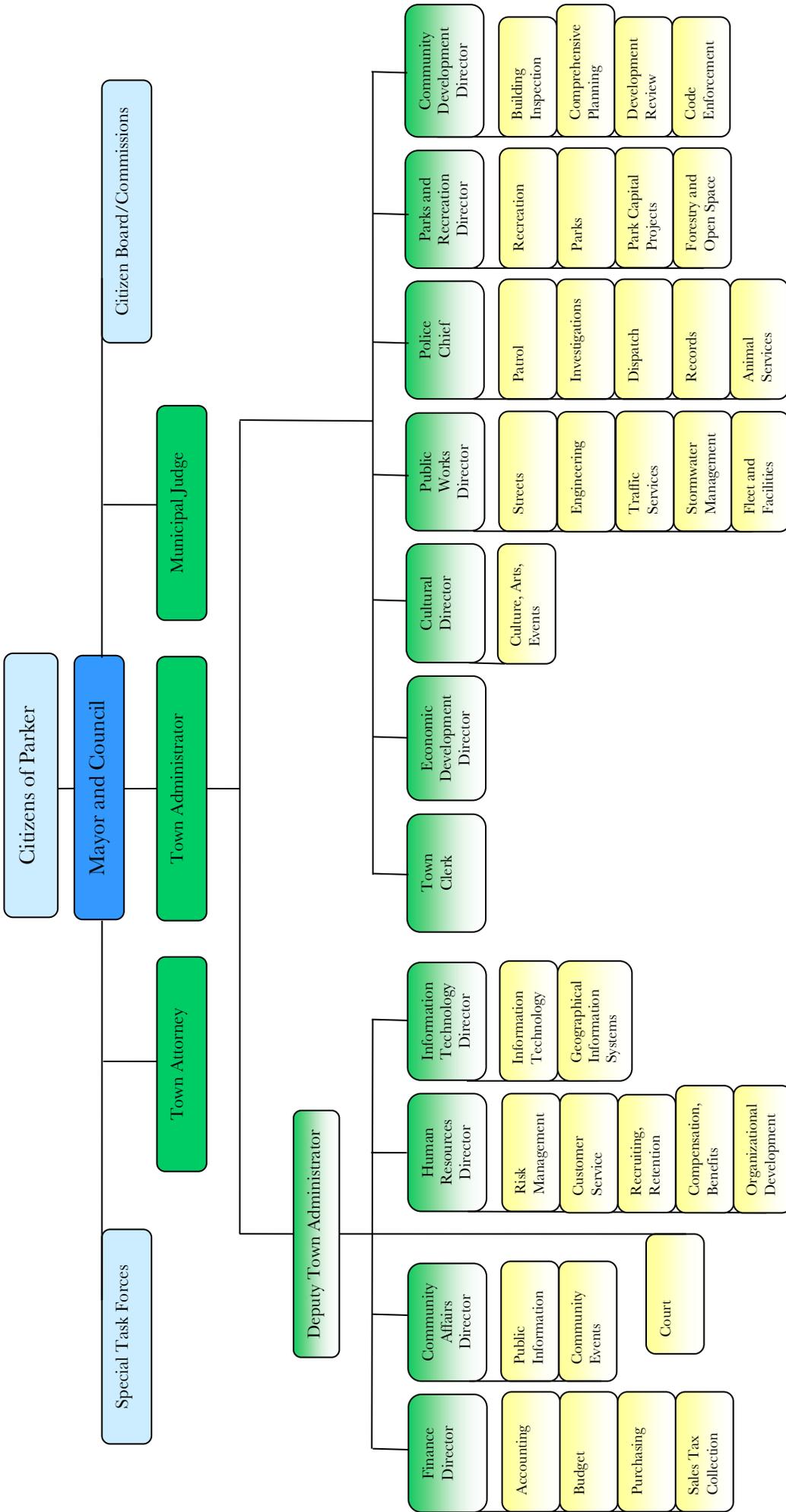
Town Administrator ..... G. Randolph Young  
Town Attorney..... James S. Maloney  
Municipal Judge..... Kevin Sidel

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## Department Directors

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

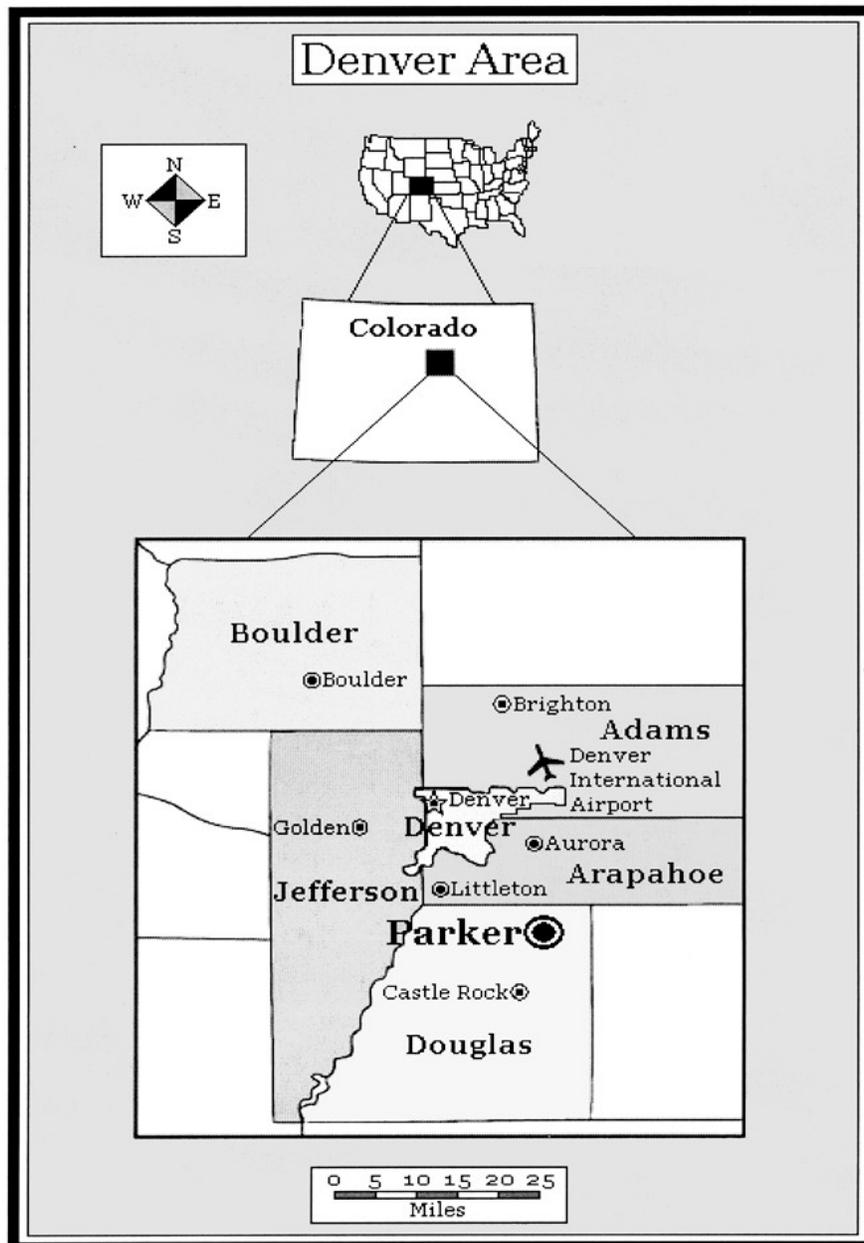
# 2014 Organization Chart

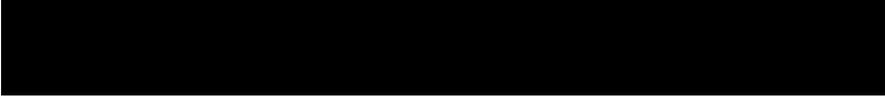


# TOWN OF PARKER

## Douglas County, Colorado Location Map

Prepared by:  
Town of Parker  
Geographic Information System





# FINANCIAL SECTION





## 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, 2014, 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, 2014, 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 Recreation Fund, and the Cultural 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 on pages 5-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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**

Greenwood Village, Colorado  
June 8, 2015



## 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, 2014. We encourage readers to consider the information presented, along with additional information provided in the letter of transmittal (beginning on page v) when reviewing the financial statements, which begin on page 19.

### FINANCIAL HIGHLIGHTS

- At the end of 2014, the value of the Town's total net position was \$588.6 million. Of this net position amount, \$30.0 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 \$28.6 million in 2014. This increase came primarily from the increase in sales and use tax, excise tax and developer contributions.
- Sales and use tax in the General Fund increased from \$25.8 million to \$27.6 million or 7 percent. Sales tax is the Town's largest revenue source and is 69 percent of the total General Fund revenue.
- The Town issued \$20 million in Certificates of Participation in 2014 for the construction of a new public works facility and expansion of the recreation center.
- The Town reduced its total outstanding debt by \$1,975,000 in 2014 leaving a balance of \$69,665,000 at year end, up from \$52,120,000 outstanding at the end of 2013. Outstanding debt at the end of 2014 consists of \$10,655,000 in revenue bonds (issued to construct the Fieldhouse), \$39,490,000 in certificates of participation (issued to construct the Police Station and PACE Center) and \$19,520,000 in certificates of participation (issued to construct the Public Works Facility and expansion of the Recreation Center).
- At the end of 2014, the Town's governmental funds reported combined fund balances of \$62.3 million, an increase \$11 million from the prior year. This combined increase in fund balance is the result of the significant increase in sales tax revenue and the issuance of COPs in 2014.
- At the end of 2014, the unassigned fund balance of the General Fund was \$10.7 million, which is 28 percent of total General Fund expenditures. The Town's fund balance policy amount is 16.7 percent.
- Major capital asset events that occurred in 2014 include \$7.4 million for the construction associated with recreation center expansion, \$9.6 million for construction of a new public works facility, \$3.9 million for the widening of Hess Road from Nate to Motsenbocker, \$1.1 million for the Pikes Peak Court extension, \$958,900 for power line undergrounding, \$429,000 for Todd Drive design and \$517,000 for medians and entryways.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### **Government-wide financial statements**

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

*The statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements differentiate functions of the Town that are primarily supported by taxes and intergovernmental revenues (governmental activities) from those functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities.) The governmental activities of the Town include general government; public safety; highways and streets; economic development; and culture and recreation. The business-type activity of the Town is its stormwater utility function.

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

The government-wide financial statements can be found on pages 19 and 20 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 14 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, PACE and Mainstreet Center special revenue funds and the Public Improvements capital improvement fund, all of which are considered to be major funds. Data from the 9 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 21-30 of this report.

The Town adopts an annual appropriated budget for all funds, except fiduciary funds. To demonstrate compliance, a budgetary comparison statement is provided for the General Fund, Parks and Recreation, PACE and Mainstreet Center special revenue funds and the Public Improvements Capital Fund. 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 and facility services. 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 31-33 of this report.

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

The basic fiduciary fund financial statement can be found on page 34 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 35-53 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 58-82 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, liabilities, and deferred inflows of resources and resulting net position (assets minus liabilities and deferred inflows of resources) at the end of 2014 with a comparison to 2013. As of December 31, 2014, the Town had total assets of \$672.9 million compared to \$619.4 million in 2013 and at the end of 2014, the value of the Town's total net position was \$588 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 74,553	\$ 56,732	\$ 2,577	\$ 2,086	\$ 77,131	\$ 58,818
Capital assets	587,212	552,498	8,555	8,103	595,767	560,600
Total assets	661,766	609,230	11,132	10,188	672,898	619,419
Long-term liabilities outstanding	72,434	54,155	58	60	72,492	54,214
Other liabilities	10,131	3,606	125	128	10,255	3,734
Total liabilities	82,565	57,760	183	188	82,748	57,948
Total deferred inflows of resources	1,560	1,467	-	-	1,560	1,467
Net position:						
Invested in capital assets, net of related debt	520,379	500,378	8,555	8,103	528,934	508,480
Restricted	29,319	20,416	306	328	29,625	20,745
Unrestricted	27,943	29,208	2,088	1,570	30,031	30,778
Total net position	\$ 577,641	\$ 550,003	\$ 10,949	\$ 10,001	\$ 588,590	\$ 560,003

By far, the largest portion of the Town's assets is capital assets, which total \$595 million or 88.5 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 35.

The Town's outstanding long-term debt, which consists of 2006 revenue bonds issued to construct the Parker Fieldhouse, 2009 certificates of participation issued to construct the police station and PACE Center and 2014 certificates of participation issued to construct the public works facility and recreation center expansion, was reduced by \$1,975,000. Additionally, of the Town's \$588 million in net position, \$29.6 million or 5 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$30 million or 5.1 percent may be used to meet the Town's ongoing obligations to citizens and creditors.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 10,655	\$ 9,797	\$ 1,865	\$ 1,853	\$ 12,520	\$ 11,650
Operating grants and contributions	1,286	682	-	-	1,286	682
Capital grants and contributions	28,329	3,967	375	117	28,704	4,084
<b>General revenues</b>						
Taxes						
Sales and use	37,202	33,564	-	-	37,202	33,564
Property	1,585	1,553	-	-	1,585	1,553
Franchise	906	842	-	-	906	842
Excise – electric	1,033	1,033	-	-	1,033	1,033
Excise taxes – new development	2,656	1,447	-	-	2,656	1,447
Sales and use - county shareback	2,571	2,364	-	-	2,571	2,364
Road and bridge - county shareback	1,231	1,224	-	-	1,231	1,224
Highway users	1,331	1,292	-	-	1,331	1,292
Other General Revenues	976	1,003	(51)	(41)	924	962
Unrestricted investment earnings	166	57	12	3	177	60
Total revenues	89,927	58,823	2,200	1,932	92,127	60,755
<b>Expenses</b>						
General government	6,810	7,360	-	-	6,810	7,360
Public safety	14,712	12,627	-	-	14,712	12,627
Highways and streets	21,699	18,086	-	-	21,699	18,086
Economic development	1,398	2,794	-	-	1,398	2,794
Culture and recreation	14,163	13,372	-	-	14,163	13,372
Interest on long-term debt	3,508	3,064	-	-	3,508	3,064
Stormwater	-	-	1,252	1,230	1,252	1,230
Total expenses	62,289	57,304	1,252	1,230	63,541	58,533
Increase in net position	27,638	1,519	949	703	28,587	2,222
Net position – beginning	550,003	548,423	10,001	9,298	560,003	557,721
Prior Period Adjustment (Note 6)	-	60	-	-	-	60
Net Position as Restated	550,003	545,412	-	-	550,003	545,412
Net position – ending	\$ 577,641	\$ 550,003	\$ 10,949	\$ 10,001	\$ 588,590	\$ 560,003

## Governmental Activities

Table 2 - Changes in Net Position (above), illustrates total Town revenues and expenses in 2014 compared to 2013 for Governmental Activities and Business-type Activities. Total governmental activities revenues increased approximately \$31.1 million from \$58.8 million in 2013 to \$89.9 million in 2014. Even though most revenue categories increased in 2014, the majority of the increase was the result of capital contributions of \$24.3 million. 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.

Excluding the \$24.3 million in capital contributions revenue, the remaining revenues increased a combined \$6.8 million which includes an increase of \$3.6 million in Town sales and use taxes and \$1.2 million in excise tax associated with new construction.

Total governmental activities expenses increased \$4.9 million from \$57.3 million in 2013 to \$62.2 million in 2014. Most of the increase is related to cultural and recreation for the recreation center expansion, for public safety for the implementation of new dispatch software, and highways and streets due to an increase in repairs and maintenance for streets and bridges.

**Chart 4. 2014 Expenses and Program Revenues - Governmental Activities (in thousands)**

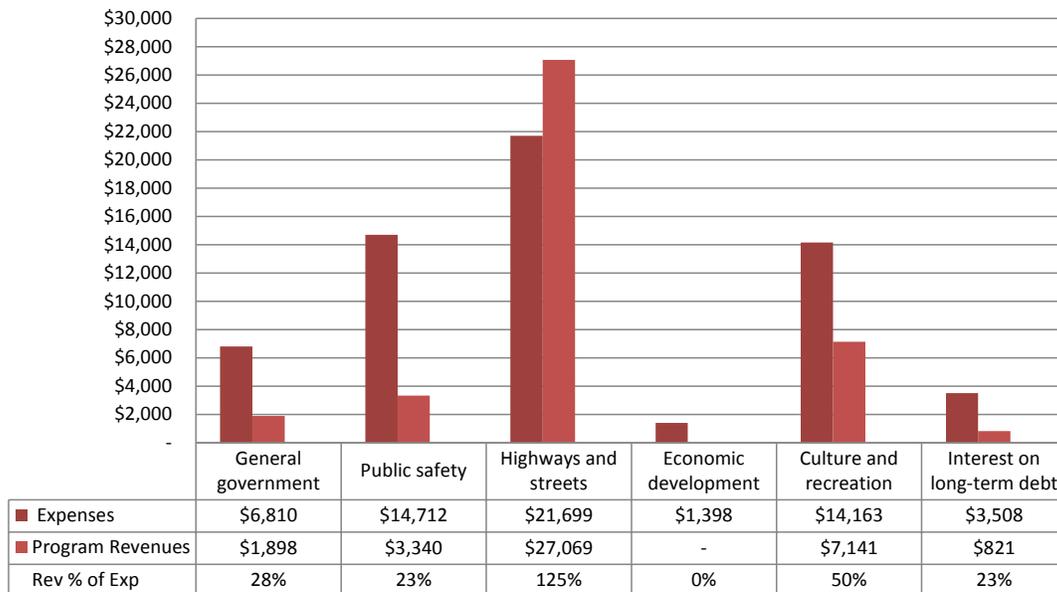
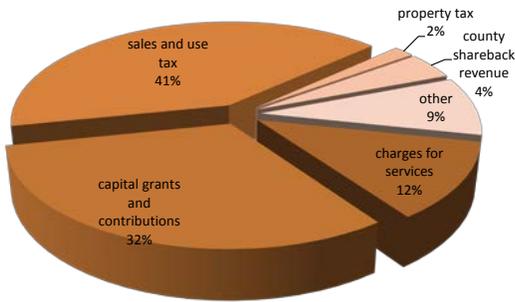


Chart 4 illustrates the extent to which the governmental activity functions are covered by program revenues: user charges, grants and contributions. As with most governments, the majority of the services provided to citizens are funded through various taxes and not program revenues. One exception in 2014 is highways and streets, which received nearly \$24.3 million in developer-contributed infrastructure.

Chart 5 shows the primary sources of revenues that are used to finance governmental activities. As indicated, sales and use taxes are the primary source of revenue for the Town accounting for 41 percent of the revenues in 2014. Property tax, on the other hand, represented only 2 percent of the Town's funding. Capital grants and contributions represented 32 percent of the revenue in 2014; however, as stated before, this is primarily developer-donated infrastructure that can vary widely from year to year.

**Chart 5. Revenues by Source - Governmental Activities**

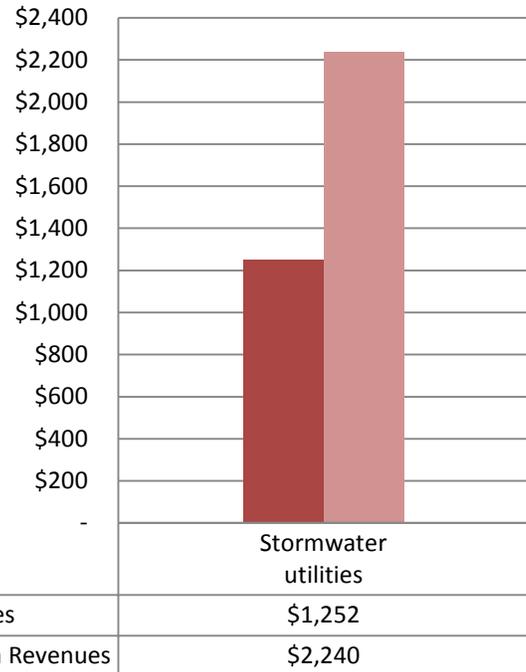


As Chart 6 shows, stormwater revenues exceeded expenses for 2014, adding to the funds available for future infrastructure improvements and increasing repair and maintenance costs. Operating expenses are funded almost entirely by stormwater utility fees charged to residential and commercial property based on their impervious area.

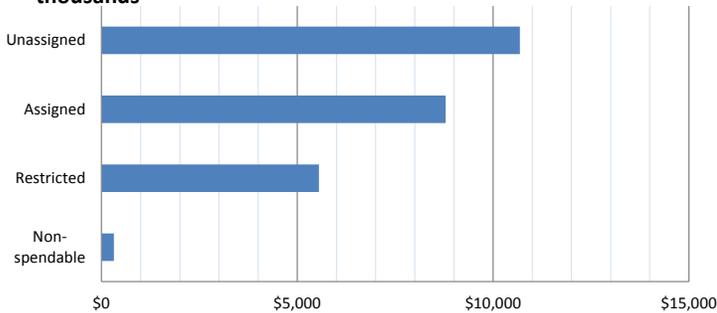
**Business-type Activities**

The Town’s only business-type activity is stormwater management. As seen in Table 2 (page 9), Stormwater Utility Fund net position increased \$948,000. Revenues increased 13.9 percent or \$267,900. The increase is related to developer-contributed infrastructure. Expenditures increased 1.8 percent or \$22,000.

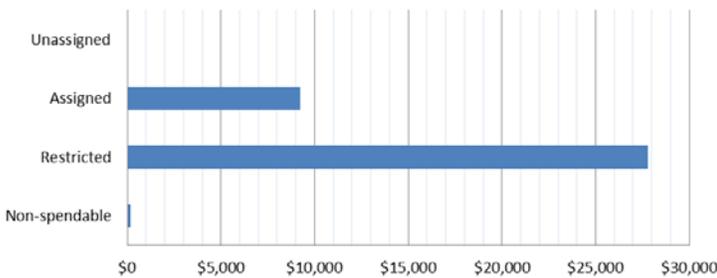
**Chart 6. 2014 Expenses and Program Revenues - Business-type Activities (in thousands)**



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



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

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.

Chart 9a. 2014 General Fund Revenue

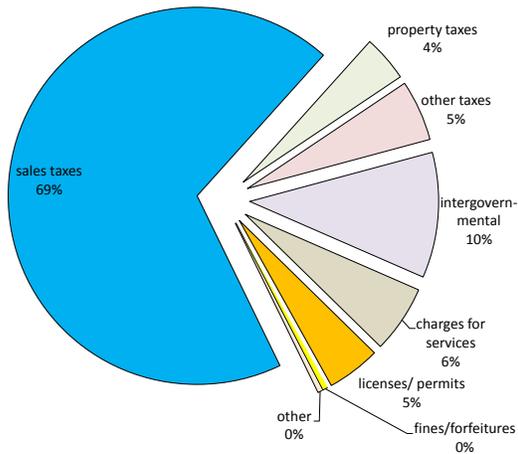
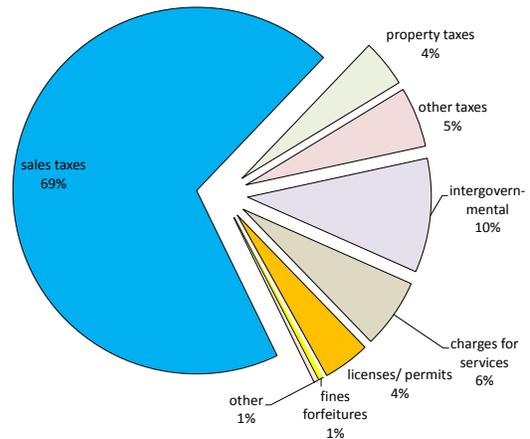


Chart 9b. 2013 General Fund Revenue



At the end of 2014, the Town’s governmental funds reported combined fund balances of \$62.2 million, an increase of \$10.9 million in comparison to the prior year. Approximately 17 percent of this amount (\$10.4 million) constitutes unassigned fund balance, which is available for spending at the Town’s discretion. The remainder of the fund balance is either nonspendable, restricted or assigned to indicate that it is 1) not in spendable form (\$503,900), 2) restricted for particular purposes (\$33.4 million), or 3) assigned for particular purposes (\$18 million).

*General Fund.* The General Fund is the chief operating fund of the Town. At the end of 2014, unassigned fund balance of the general fund was \$10.6 million, while total fund balance was \$25.3 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 28 percent of total General Fund expenditures, while total fund balance represents approximately 67 percent of the same amount.

The fund balance of the General Fund increased \$1.7 million in 2014. Revenues increased in 2014, primarily due to the increase in sales and use tax and expenditures decreased due to less capital outlays than the previous year, creating the overall increase. Unrestricted fund balance, which is neither restricted nor non-spendable, is 52 percent of expenditures. The Town’s policy is that fund balance maintains two months of expenditures or 16.7 percent. The fund balance is very healthy; however, it will decline, as planned, one-time expenditures are projected to exceed revenues for the next several years.

Chart 9 illustrates the percentage of each type of revenue the Town receives during the year and also demonstrates the consistency of the General Fund revenue with the previous year. As in 2013, taxes were the largest source of revenue at 78 percent of total General Fund revenues. Sales tax, which increased from \$25.8 million to \$27.6 million or 7 percent, makes up 88 percent of those taxes, as well as 68.9 percent of the total General Fund revenue.

*Parks and Recreation Fund.* The Parks and Recreation Fund, a major fund, ended the current year with a total fund balance of \$7 million restricted fund balance. Most of the restriction of fund balance is for debt proceeds received for the construction of the recreation center expansion (\$6.2 million), the remainder is from 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 (\$732,000). With the increase in sales tax revenue combined with debt proceeds in 2014, fund balance increased \$1.8

million. It is anticipated that fund balance will decrease significantly in the following year due to the completion of the Parker Recreation Center expansion.

*PACE Fund.* The PACE Fund accounts for the operations of the PACE Center. It is classified as major funds for the Scientific Cultural Facilities District (SCFD) Tier II grant requirements. The fund ended the current year with a total fund balance of \$410,200, consisting of \$131,700 of nonspendable fund balance for prepaid items such as insurance premiums and \$278,600 of assigned fund balance. Increases in operating expense to bring big name acts to the PACE Center resulted in a decrease in fund balance of \$51,000.

*PACE Fund and Mainstreet Center Fund.* The Mainstreet Center Fund accounts for the operations of the Mainstreet Center and Ruth Chapel. It is classified as major funds for the Scientific Cultural Facilities District (SCFD) Tier II grant requirements. The fund ended the current year with a total fund balance of \$626,500, consisting of \$2,900 of nonspendable fund balance for prepaid items such as insurance premiums and \$623,580 of assigned fund balance. Transfers to the Mainstreet Center for capital projects resulted in an increase of \$441,700

*Public Improvements Fund.* The Public Improvements Fund, also a major fund, ended the current year with a total fund balance of \$17.1 million, consisting of \$9.9 million restricted fund balance and \$7.2 million assigned fund balance. Restricted fund balance consists primarily of funds (\$5.9 million) received from developers for various future streets capital projects. Another \$4 million is restricted due to debt proceeds held in escrow by the trustee. Fund balance, which can increase or decrease significantly in this fund depending on the level of capital projects planned in a given year, increased \$5.4 million. It is anticipated that fund balance will decrease significantly in the following year due to the completion of the construction of a new public works facility.

### **Proprietary funds**

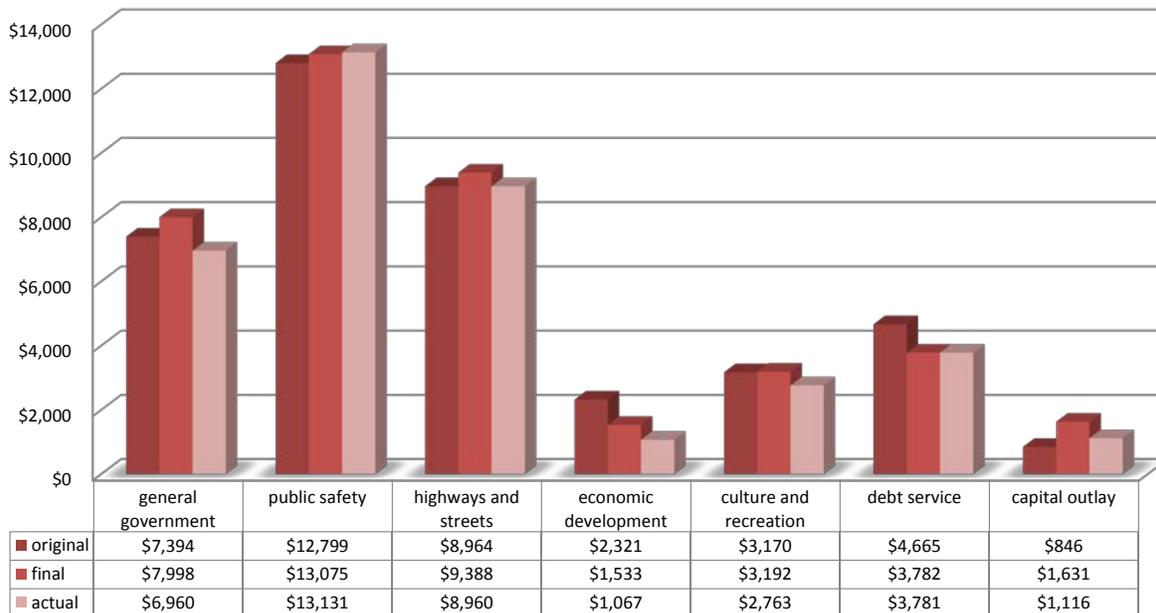
The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of the proprietary stormwater fund have already been discussed above in the Town's business-type activities section.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

In 2014, the General Fund's original budgeted expenditures of \$40.1 million increased \$439,500 (1 percent) to a final amended budget of \$40.6 million. The increase is primarily due to additional internal service fund charges from the Technology Management Fund to all General Fund departments for increased costs associated with server replacements.

A total of \$37.7 million was actually spent compared to a final budget of \$40.6 million. Of the \$2.8 million budget-to-actual variance, \$364,000 will be re-appropriated in 2015 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 2014 original and final budgets to actual expenditures.

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



## CAPITAL ASSETS AND DEBT ADMINISTRATION

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 71,786	\$ 52,052	-	-	\$ 71,786	\$ 52,052
Intangible assets	239,132	237,485	-	-	239,132	237,485
Construction in progress	25,966	9,533	2,924	2,349	28,890	11,882
Buildings	51,753	52,976	-	-	51,753	52,976
Improvements other than buildings	27,627	21,460	-	-	27,627	21,460
Machinery and equipment	4,674	3,754	14	-	4,688	3,754
Infrastructure	166,274	175,240	5,616	5,753	171,890	180,993
Total	\$ 587,212	\$ 552,500	\$ 8,554	\$ 8,102	\$ 595,766	\$ 560,602

### Capital Assets

Table 3 illustrates the Town's capital assets (net of depreciation). At the end of 2014, the Town had \$595.7 million (net of accumulated depreciation) invested in a broad range of capital assets including equipment, buildings, parks and recreation facilities, roads, bridges and stormwater facilities. This amount represents a total net increase of \$35.1 million (6 percent) over last year.

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

- Construction in progress for the new public works facility for \$9.6 million
- Construction in progress for the Parker Recreation Center expansion for \$7.4 million
- Construction work for the widening of Hess Road for \$3.9 million
- Construction work for the Pikes Peak Court extension for \$1.1 million
- Power line undergrounding for \$958,900
- Land donated for the dog park project for \$2 million
- Developer contributions of right of ways for \$10.1 million

Additional information on the Town's capital assets can be found in Note 4C to the financial statements on pages 45-46 of this report.

### Long-term Debt

At the end of 2014, the Town had total outstanding debt of \$69,665,000 up from \$52,120,000 outstanding at the end of 2013. This outstanding debt consists of \$10,655,000 in revenue bonds with pledged sales and use tax revenue for repayment, \$39,490,000 in certificates of participation, in which the new Police Station and PACE Center serve as collateral and \$19,520,000 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 \$1,975,000 during the current fiscal year due to principal payments of \$745,000 on the revenue bonds and \$1,230,000 on the 2009 certificates of participation.

#### Town Outstanding Debt

	2014	2013
Sales and use tax revenue bonds, series 2006	\$ 10,655,000	\$ 11,400,000
Certificates of Participation, series 2009	39,490,000	40,720,000
Certificates of Participation, series 2014	19,520,000	-
Total	<u>\$ 69,665,000</u>	<u>\$ 52,120,000</u>

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 a AA credit rating from Standard & Poor's for the 2006 revenue bonds, 2009 Certificates of Participation and 2014 Certificates of Participation and a AA credit rating from Fitch on the 2006 revenue bonds.

Note 4G to the financial statements on page 48-50 of this report presents more detailed information about the debt position of the Town.

### ECONOMIC FACTORS AND THE 2015 BUDGET

The number one issue affecting the development of the 2015 budget was the economy. The entire nation had been submerged in a recession beginning in 2009 and all major facets of the economy have been impacted. While unemployment numbers continue to improve nationwide and consumer confidence is still relatively low, the local economy continues to improve as evidenced by the significant increase in consumer spending for past three years and improved housing market with home sales in the Town increasing for the third straight year. As a result, the 2015 budget is developed under much better economic circumstances. Improvements in 2013 and 2014 have eased uncertainty regarding the economy, but the Town is cautiously optimistic that economic improvement will continue through 2015. News reports and

predictions about the economic recovery have been more positive than in the recent past and fears of a “double-dip” recession have subsided. Even with the positive trends of the last three years, we developed the 2015 budget with a conservative approach to revenue projections as we had in prior years.

For the 2015 budget, most revenues were projected to increase between 1 and 4 percent. Sales tax revenue and other revenues subject to inflation were projected to increase approximately 4 percent. Property tax and related revenues (Douglas County property tax road and bridge shareback) were projected to increase only 3 percent due to the decline in residential values. With the number of single-family residential (SFR) permits issued increasing from a low of 43 in 2009 to 112 in 2010 and 183 in 2011, the 2012 projection for building-related revenues was based on 100 SFR permits, up from 35 and 50 originally projected for 2010 and 2011, respectively. Actual 2012 SFR permits issued was 381 (the most issued since 2006), followed by another strong year in 2013 with 332 SFR permits issued and 347 SFR in 2014.

On the expenditure side, with the improved economic picture, the budget was again 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 of 2.5 and 2.1 percent, respectively. We were also able to continue to provide significant increases in funding for maintenance of the Town’s roadway infrastructure and for replacement of aging or outdated equipment. The budget also includes funding that will enhance levels of service in areas including streets, public safety, parks and recreation. Still, even with the improved outlook and as with any budget year, expenditures including capital outlay, new programs, new positions and other budget increases were not automatic and required significant justification.

## **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](mailto:finance@parkeronline.org).



# BASIC FINANCIAL STATEMENTS





**TOWN OF PARKER, COLORADO**  
**Government-wide**  
**Statement of Net Position**  
**December 31, 2014**

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 51,450,902	\$ 2,458,206	\$ 53,909,108
Cash and investments	6,508,376	-	6,508,376
Restricted assets			
Investments held in escrow by trustee	7,827,273	-	7,827,273
Receivables (net of allowance for uncollectibles)	8,136,358	106,713	8,243,071
Inventories	42,964	-	42,964
Prepaid items	587,597	12,387	599,984
Capital assets (net of accumulated depreciation)			
Land	71,786,436	-	71,786,436
Intangible assets	239,132,254	-	239,132,254
Construction in progress	25,966,168	2,924,291	28,890,459
Buildings	51,752,757	-	51,752,757
Improvements other than buildings	27,627,247	-	27,627,247
Machinery and equipment	4,673,802	13,971	4,687,773
Infrastructure	166,273,558	5,616,333	171,889,891
Total assets	<u>661,765,692</u>	<u>11,131,901</u>	<u>672,897,593</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	9,500,037	124,740	9,624,777
Accrued interest payable	610,924	-	610,924
Unearned revenue	630,718	-	630,718
Non-current liabilities			
Due within one year	3,575,698	28,975	3,604,673
Due in more than one year	68,247,801	28,975	68,276,776
Total liabilities	<u>82,565,178</u>	<u>182,690</u>	<u>82,747,868</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Grant revenues	63,501	-	63,501
Property tax revenues	1,496,238	-	1,496,238
Total deferred inflow of resources	<u>1,559,739</u>	<u>-</u>	<u>1,559,739</u>
<b>NET POSITION</b>			
Net investment in capital assets	520,379,154	8,554,595	528,933,749
Restricted for:			
Emergencies	1,698,000	-	1,698,000
Parks, recreation and open space purposes	10,762,415	-	10,762,415
Law enforcement purposes	234,138	-	234,138
Culture purposes	12,072	-	12,072
Highways and streets capital projects	2,076,135	-	2,076,135
Streets, parks, recreation, facilities and law enforcement purposes	6,708,866	-	6,708,866
Stormwater capital projects	-	306,492	306,492
Debt service	7,827,273	-	7,827,273
Unrestricted	27,942,722	2,088,124	30,030,846
Total net position	<u>\$ 577,640,775</u>	<u>\$ 10,949,211</u>	<u>\$ 588,589,986</u>

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

**TOWN OF PARKER, COLORADO**  
**Government-wide**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

FUNCTIONS / PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>							
General government	\$ 6,809,852	\$ 1,896,754	\$ 1,500	\$ -	\$ (4,911,598)	\$ -	\$ (4,911,598)
Public safety	14,711,684	2,370,645	969,780	-	(11,371,259)	-	(11,371,259)
Highways and streets	21,698,854	255,575	-	26,813,353	5,370,074	-	5,370,074
Economic development	1,397,949	-	-	-	(1,397,949)	-	(1,397,949)
Culture and recreation	14,162,538	6,131,830	314,928	694,599	(7,021,181)	-	(7,021,181)
Interest on long-term debt	3,507,958	-	-	821,393	(2,686,565)	-	(2,686,565)
Total governmental activities	62,288,835	10,654,804	1,286,208	28,329,345	(22,018,478)	-	(22,018,478)
<b>Business-type activities</b>							
Stormwater utilities	1,251,752	1,865,036	-	375,000	-	988,284	988,284
Total primary government	<u>\$ 63,540,587</u>	<u>\$12,519,840</u>	<u>\$ 1,286,208</u>	<u>\$ 28,704,345</u>			

**GENERAL REVENUES**

Taxes			
Sales and use		37,202,194	37,202,194
Property		1,584,849	1,584,849
Franchise		905,961	905,961
Excise - electric		1,033,396	1,033,396
Excise - new development		2,655,816	2,655,816
Sales and use - county shareback		2,571,241	2,571,241
Road and bridge - county shareback		1,231,030	1,231,030
Highway users		1,330,821	1,330,821
Other		873,905	873,905
Unrestricted investment earnings		165,731	177,388
Gain on disposal of property		50,343	50,343
Transfers		51,421	-
Total general revenues		49,656,708	49,616,944
Change in net position		27,638,230	28,586,750
Net position - January 1		550,002,545	560,003,236
Net position - December 31		<u>\$ 577,640,775</u>	<u>\$ 588,589,986</u>

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

**TOWN OF PARKER, COLORADO**  
**Governmental Funds**  
**Balance Sheet**  
**December 31, 2014**

	General	Parks and Recreation	PACE	Mainstreet Center	Public Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Equity in pooled cash and investments	\$ 21,468,063	\$ 5,959,533	\$ 595,547	\$ 630,446	\$ 13,405,166	\$ 8,913,035	\$ 50,971,790
Cash and investments	2,350	2,131,491	2,000	-	-	4,372,535	6,508,376
Investment held in escrow by trustee	3,785,339	-	-	-	4,041,934	-	7,827,273
Receivables							
Investment earnings	11,094	3,080	308	328	8,148	4,607	27,565
Taxes - property tax	1,496,238	-	-	-	-	-	1,496,238
Taxes - sales tax	3,093,084	618,874	-	-	-	-	3,711,958
Accounts (net of allowance for uncollectibles)	1,233,582	5,132	55,604	1,204	121,038	141,249	1,557,809
Intergovernmental	351,070	-	63,501	-	772,997	-	1,187,568
Deposits	45,032	-	-	-	-	-	45,032
Prepaid items	318,111	208	131,569	2,907	-	51,097	503,892
Total assets	<u>\$ 31,803,963</u>	<u>\$ 8,718,318</u>	<u>\$ 848,529</u>	<u>\$ 634,885</u>	<u>\$ 18,349,283</u>	<u>\$ 13,482,523</u>	<u>\$ 73,837,501</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 2,060,907	\$ 1,312,552	\$ 126,434	\$ 5,373	\$ 370,539	\$ 1,240,887	\$ 5,116,692
Retainage payable	5,215	345,472	-	-	680,942	-	1,031,629
Intergovernmental payable	-	-	3,292	-	-	2,596	5,888
Other current liabilities	129,987	28,058	10	-	132,332	204,006	494,393
Deposits	2,705,735	-	6,400	750	-	-	2,712,885
Unearned revenue	63,856	20,000	238,728	2,275	-	305,859	630,718
Total liabilities	<u>4,965,700</u>	<u>1,706,082</u>	<u>374,864</u>	<u>8,398</u>	<u>1,183,813</u>	<u>1,753,348</u>	<u>9,992,205</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Grant revenues	-	-	63,501	-	-	-	63,501
Property tax revenues	1,496,238	-	-	-	-	-	1,496,238
Total deferred inflow of resources	<u>1,496,238</u>	<u>-</u>	<u>63,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559,739</u>
<b>FUND BALANCES</b>							
Non-spendable:							
Prepaid items	318,111	208	131,569	2,907	-	51,097	503,892
Restricted:							
Emergencies	1,698,000	-	-	-	-	-	1,698,000
Parks, recreation and open space	68,755	7,012,028	-	-	-	3,681,632	10,762,415
Law enforcement	-	-	-	-	-	234,138	234,138
Culture	-	-	-	-	-	12,072	12,072
Highways and streets	-	-	-	-	5,918,496	199,573	6,118,069
Streets, parks, recreation, facilities and law enforcement	-	-	-	-	-	6,708,866	6,708,866
Debt service	3,785,339	-	-	-	4,041,934	-	7,827,273
Assigned:							
Subsequent year's budget: appropriation of fund balance	6,838,369	-	-	-	-	-	6,838,369
Culture	-	-	278,595	623,580	-	-	902,175
Parks, recreation and open space	-	-	-	-	-	1,068,212	1,068,212
Police Station/PACE Center construction	1,550,000	-	-	-	-	54,254	1,604,254
Highways and streets	397,795	-	-	-	7,205,040	-	7,602,835
Unassigned	10,685,656	-	-	-	-	(280,669)	10,404,987
Total fund balances	<u>25,342,025</u>	<u>7,012,236</u>	<u>410,164</u>	<u>626,487</u>	<u>17,165,470</u>	<u>11,729,175</u>	<u>62,285,557</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,803,963</u>	<u>\$ 8,718,318</u>	<u>\$ 848,529</u>	<u>\$ 634,885</u>	<u>\$ 18,349,283</u>	<u>\$ 13,482,523</u>	<u>\$ 73,837,501</u>

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

**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, 2014**

Total governmental fund balances	\$ 62,285,557
 <b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental fund balance sheet.	583,956,447
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.	3,714,912
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.	<u>(72,316,141)</u>
Net position of governmental activities (page 20)	<u><u>\$ 577,640,775</u></u>

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, 2014**

	General	Parks and Recreation	PACE	Mainstreet Center	Public Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes							
Sales and use	\$ 27,628,021	\$ 6,114,231	\$ -	\$ -	\$ 3,459,942	\$ -	\$ 37,202,194
Property	1,584,849	-	-	-	-	-	1,584,849
Franchise	905,961	-	-	-	-	-	905,961
Electric excise	1,033,396	-	-	-	-	-	1,033,396
Excise tax - new development	-	-	-	-	-	2,655,816	2,655,816
Other	146,500	-	-	-	-	-	146,500
Intergovernmental	4,320,037	-	162,877	31,473	2,865,856	876,983	8,257,226
Charges for services	2,322,473	-	1,575,781	91,479	-	4,442,995	8,432,728
Licenses and permits	1,833,383	-	-	-	-	-	1,833,383
Fines and forfeitures	184,179	-	-	-	-	80,849	265,028
Contributions	9,873	301,865	64,150	-	3,387,583	-	3,763,471
Net investment earnings	67,514	19,817	1,421	2,345	47,056	27,074	165,227
Miscellaneous	82,196	16,278	6,079	107	-	43,903	148,563
<b>Total revenues</b>	<b>40,118,382</b>	<b>6,452,191</b>	<b>1,810,308</b>	<b>125,404</b>	<b>9,760,437</b>	<b>8,127,620</b>	<b>66,394,342</b>
<b>EXPENDITURES</b>							
Current							
General government	6,959,820	-	-	-	-	-	6,959,820
Public safety	13,131,372	-	-	-	-	143,917	13,275,289
Highways and streets	8,960,181	-	-	-	1,062,372	-	10,022,553
Culture and recreation	2,763,084	449,989	2,911,444	194,403	-	5,544,873	11,863,793
Economic development	1,067,265	74,752	-	-	31,961	223,971	1,397,949
Building	-	-	-	-	137,972	-	137,972
Debt service							
Principal	1,230,000	-	-	-	-	745,000	1,975,000
Interest	2,550,910	-	-	-	-	877,187	3,428,097
Fiscal charges	500	-	-	-	-	150	650
Capital outlay	1,115,514	7,579,577	-	147,040	16,592,735	1,177,758	26,612,624
<b>Total expenditures</b>	<b>37,778,646</b>	<b>8,104,318</b>	<b>2,911,444</b>	<b>341,443</b>	<b>17,825,040</b>	<b>8,712,856</b>	<b>75,673,747</b>
Excess (deficiency) of revenues over (under) expenditures	2,339,736	(1,652,127)	(1,101,136)	(216,039)	(8,064,603)	(585,236)	(9,279,405)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	927,600	-	1,050,000	657,700	315,000	2,688,837	5,639,137
Transfers out	(1,574,600)	(3,503,116)	-	-	-	(510,000)	(5,587,716)
Debt Proceeds	-	7,000,000	-	-	13,204,976	-	20,204,976
Insurance recoveries	1,278	-	-	-	-	-	1,278
<b>Total other financing sources (uses)</b>	<b>(645,722)</b>	<b>3,496,884</b>	<b>1,050,000</b>	<b>657,700</b>	<b>13,519,976</b>	<b>2,178,837</b>	<b>20,257,675</b>
Net change in fund balances	1,694,014	1,844,757	(51,136)	441,661	5,455,373	1,593,601	10,978,270
Fund balances - January 1	23,648,011	5,167,479	461,300	184,826	11,710,097	10,135,574	51,307,287
Fund balances - December 31	<b>\$ 25,342,025</b>	<b>\$ 7,012,236</b>	<b>\$ 410,164</b>	<b>\$ 626,487</b>	<b>\$ 17,165,470</b>	<b>\$ 11,729,175</b>	<b>\$ 62,285,557</b>

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

**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, 2014**

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

Net change in fund balances - total governmental funds	\$ 10,978,270
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.	11,776,294
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.	22,718,839
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.	(18,229,976)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	36,864
Capital assets transferred from Governmental Funds to the Fleet Internal Service Fund are not considered revenue in the Government-wide statement.	(844,058)
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.	<u>1,201,997</u>
Change in net position - governmental activities (page 20)	<u>\$ 27,638,230</u>

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, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes				
Sales	\$ 26,226,400	\$ 26,226,400	\$ 27,628,021	\$ 1,401,621
Property	1,601,400	1,601,400	1,584,849	(16,551)
Franchise	821,000	821,000	905,961	84,961
Electric excise	1,040,800	1,040,800	1,033,396	(7,404)
Other	101,600	101,600	146,500	44,900
Licenses and permits				
Building	1,341,500	1,341,500	1,644,823	303,323
Other	208,800	208,800	188,560	(20,240)
Intergovernmental				
Highway users taxes	1,033,600	1,033,600	1,047,973	14,373
County road and bridge shareback	1,270,800	1,270,800	1,231,030	(39,770)
Other	1,669,919	1,739,473	2,041,034	301,561
Charges for services	3,333,800	3,333,800	2,322,473	(1,011,327)
Fines and forfeitures	173,100	173,100	184,179	11,079
Contributions	-	-	9,873	9,873
Net investment earnings	42,900	42,900	67,514	24,614
Miscellaneous	85,000	85,000	82,196	(2,804)
	<b>38,950,619</b>	<b>39,020,173</b>	<b>40,118,382</b>	<b>1,098,209</b>
<b>EXPENDITURES</b>				
Current				
General government				
Elected officials	130,100	130,100	110,369	19,731
Town clerk and elections	384,414	388,221	338,266	49,955
Municipal court	314,423	317,278	263,563	53,715
Town administrator	533,574	551,429	552,746	(1,317)
Finance	1,109,856	1,117,948	1,087,695	30,253
Legal services	524,636	526,539	561,818	(35,279)
Human resources	734,226	792,382	730,647	61,735
Risk management	340,780	341,256	254,713	86,543
Community development	1,521,225	1,597,589	1,319,835	277,754
Communications	682,421	802,729	707,837	94,892
Buildings and plant	391,000	391,000	418,321	(27,321)
Customer service	135,983	138,363	111,861	26,502
Interdepartmental	591,200	903,165	502,149	401,016
Total general government	7,393,838	7,997,999	6,959,820	1,038,179

(continued)

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund (continued)**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety				
Police	\$ 11,805,468	\$ 12,070,408	\$ 12,034,098	\$ 36,310
Building inspection	993,418	1,004,690	1,097,274	(92,584)
Total public safety	<u>12,798,886</u>	<u>13,075,098</u>	<u>13,131,372</u>	<u>(56,274)</u>
Highways and streets	8,964,175	9,387,530	8,960,181	427,349
Economic development	2,321,016	1,532,919	1,067,265	465,654
Parks, forestry and open space	3,169,831	3,191,990	2,763,084	428,906
Debt service				
Principal	1,593,050	1,230,000	1,230,000	-
Interest	3,071,234	2,550,900	2,550,910	(10)
Fiscal charges	1,000	1,000	500	500
Total debt service	<u>4,665,284</u>	<u>3,781,900</u>	<u>3,781,410</u>	<u>490</u>
Capital outlay	845,800	1,630,893	1,115,514	515,379
Total expenditures	<u>40,158,830</u>	<u>40,598,329</u>	<u>37,778,646</u>	<u>2,819,683</u>
Deficiency of revenues under expenditures	<u>(1,208,211)</u>	<u>(1,578,156)</u>	<u>2,339,736</u>	<u>3,917,892</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	927,600	927,600	927,600	-
Transfers out	(3,265,000)	(4,540,000)	(1,574,600)	2,965,400
Insurance recoveries	-	-	1,278	
Total other financing sources (uses)	<u>(2,337,400)</u>	<u>(3,612,400)</u>	<u>(645,722)</u>	<u>2,965,400</u>
Net change in fund balance	(3,545,611)	(5,190,556)	1,694,014	6,883,292
Fund balance - January 1	20,495,692	23,648,011	23,648,011	-
Fund balance - December 31	<u>\$ 16,950,081</u>	<u>\$ 18,457,455</u>	<u>\$ 25,342,025</u>	<u>\$ 6,883,292</u>

(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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Sales	\$ 5,245,300	\$ 5,245,300	\$ 5,525,820	\$ 280,520
Use	372,600	372,600	588,411	215,811
Intergovernmental	378,000	378,000	-	(378,000)
Contributions	-	-	301,865	301,865
Net investment earnings	2,500	2,500	19,817	17,317
Miscellaneous	9,000	9,000	16,278	7,278
Total revenues	<u>6,007,400</u>	<u>6,007,400</u>	<u>6,452,191</u>	<u>444,791</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	200,400	200,400	449,989	(249,589)
Economic development	329,000	329,000	74,752	254,248
Capital outlay	11,720,000	12,992,557	7,579,577	5,412,980
Total expenditures	<u>12,249,400</u>	<u>13,521,957</u>	<u>8,104,318</u>	<u>5,417,639</u>
Excess of revenues over expenditures	<u>(6,242,000)</u>	<u>(7,514,557)</u>	<u>(1,652,127)</u>	<u>5,862,430</u>
<b>OTHER FINANCING USES</b>				
Transfers in	5,000,000	5,000,000	-	(5,000,000)
Transfers out	(3,937,200)	(3,937,200)	(3,503,116)	434,084
Debt Proceeds	7,000,000	7,000,000	7,000,000	-
Total other financing uses	<u>8,062,800</u>	<u>8,062,800</u>	<u>3,496,884</u>	<u>(4,565,916)</u>
Net change in fund balance	1,820,800	548,243	1,844,757	1,296,514
Fund balance - January 1	3,838,857	5,167,479	5,167,479	-
Fund balance - December 31	<u>\$ 5,659,657</u>	<u>\$ 5,715,722</u>	<u>\$ 7,012,236</u>	<u>\$ 1,296,514</u>

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**  
**PACE Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 106,500	\$ 191,000	\$ 162,877	\$ (28,123)
Charges for services	1,168,500	1,344,000	1,575,781	231,781
Contributions	100,000	58,000	64,150	
Net investment earnings	700	700	1,421	721
Miscellaneous	-	-	6,079	6,079
	<u>1,375,700</u>	<u>1,593,700</u>	<u>1,810,308</u>	<u>204,379</u>
<b>EXPENDITURES</b>				
Current				
Culture	<u>2,617,988</u>	<u>2,897,652</u>	<u>2,911,444</u>	<u>(13,792)</u>
Total expenditures	<u>2,617,988</u>	<u>2,897,652</u>	<u>2,911,444</u>	<u>(13,792)</u>
Deficiency of revenues under expenditures	<u>(1,242,288)</u>	<u>(1,303,952)</u>	<u>(1,101,136)</u>	<u>190,587</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>950,000</u>	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>
Net change in fund balance	(292,288)	(253,952)	(51,136)	190,587
Fund balance - January 1	<u>300,226</u>	<u>461,300</u>	<u>461,300</u>	<u>-</u>
Fund balance - December 31	<u>\$ 7,938</u>	<u>\$ 207,348</u>	<u>\$ 410,164</u>	<u>\$ 190,587</u>

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**  
**Mainstreet Center Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 310,000	\$ 310,000	\$ 31,473	\$ (278,527)
Charges for services	50,000	50,000	91,479	41,479
Contributions				
Net investment earnings	-	-	2,345	2,345
Miscellaneous	-	-	107	107
Total revenues	<u>360,000</u>	<u>360,000</u>	<u>125,404</u>	<u>43,931</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	249,540	310,016	194,403	115,613
Capital outlay	<u>820,000</u>	<u>820,000</u>	<u>147,040</u>	<u>672,960</u>
Total expenditures	<u>1,069,540</u>	<u>1,130,016</u>	<u>341,443</u>	<u>788,573</u>
Deficiency of revenues under expenditures	<u>(709,540)</u>	<u>(770,016)</u>	<u>(216,039)</u>	<u>832,504</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>657,700</u>	<u>657,700</u>	<u>657,700</u>	<u>-</u>
Net change in fund balance	(51,840)	(112,316)	441,661	832,504
Fund balance - January 1	<u>76,761</u>	<u>184,826</u>	<u>184,826</u>	<u>-</u>
Fund balance - December 31	<u>\$ 24,921</u>	<u>\$ 72,510</u>	<u>\$ 626,487</u>	<u>\$ 832,504</u>

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**  
**Public Improvements Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,209,867	\$ 2,209,867	\$ 3,459,942	\$ 1,250,075
Intergovernmental	2,603,325	2,603,325	2,865,856	262,531
Contributions	1,336,333	1,906,333	3,387,583	1,481,250
Net investment earnings	6,900	6,900	47,056	40,156
Total revenues	<u>6,156,425</u>	<u>6,726,425</u>	<u>9,760,437</u>	<u>3,034,012</u>
<b>EXPENDITURES</b>				
Current				
Highways and streets	-	-	1,062,372	(1,062,372)
Economic development	-	-	31,961	(31,961)
Building	-	-	137,972	(137,972)
Capital outlay				
Highways and streets	8,565,000	12,685,541	6,988,111	5,697,430
Building	10,212,255	10,921,255	9,604,624	1,316,631
Total expenditures	<u>18,777,255</u>	<u>23,606,796</u>	<u>17,825,040</u>	<u>5,781,756</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,620,830)</u>	<u>(16,880,371)</u>	<u>(8,064,603)</u>	<u>8,815,768</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	315,000	315,000	315,000	-
Debt proceeds	13,095,000	13,095,000	13,204,976	109,976
Total other financing sources	<u>13,410,000</u>	<u>13,410,000</u>	<u>13,519,976</u>	<u>109,976</u>
Net change in fund balance	789,170	(3,470,371)	5,455,373	8,925,744
Fund balance - January 1	10,435,730	11,710,097	11,710,097	-
Fund balance - December 31	<u>\$ 11,224,900</u>	<u>\$ 8,239,726</u>	<u>\$ 17,165,470</u>	<u>\$ 8,925,744</u>

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, 2014**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Stormwater Utility</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
Current		
Equity in pooled cash and investments	\$ 2,458,206	\$ 479,112
Receivables		
Investment earnings receivable	1,271	247
Accounts receivable	105,442	109,941
Prepaid items	12,387	83,705
Inventory	-	42,964
Total current assets	2,577,306	715,969
Non-current		
Capital assets (net of accumulated depreciation)		
Construction in progress	2,924,291	-
Intangible assets	5,616,333	570,639
Machinery and equipment	13,971	2,685,136
Net capital assets	8,554,595	3,255,775
Total assets	11,131,901	3,971,744
<b>LIABILITIES</b>		
Current		
Accounts payable and other current liabilities	24,740	138,550
Security deposits payable	100,000	-
Compensated absences	57,950	118,282
Total liabilities	182,690	256,832
<b>NET POSITION</b>		
Net investment in capital assets	8,554,595	3,255,775
Restricted for capital projects	306,492	-
Unrestricted	2,088,124	459,137
Total net position	\$ 10,949,211	\$ 3,714,912

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, 2014**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Stormwater Utility</u>	<u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 1,864,667	\$ 4,924,055
Miscellaneous	369	5,439
Total operating revenues	<u>1,865,036</u>	<u>4,929,494</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services	1,113,292	3,930,508
Depreciation	138,460	701,629
Total operating expenses	<u>1,251,752</u>	<u>4,632,137</u>
Operating income	<u>613,284</u>	<u>297,357</u>
<b>NON-OPERATING REVENUES</b>		
Net investment earnings	11,657	504
Insurance recoveries	-	9,735
Gain on disposal of property	-	50,343
Total non-operating revenues	<u>11,657</u>	<u>60,582</u>
Income before capital contributions and transfers	624,941	357,939
Capital contributions	375,000	844,058
Transfers out	<u>(51,421)</u>	<u>-</u>
Change in net position	948,520	1,201,997
Total net position - January 1	<u>10,000,691</u>	<u>2,512,915</u>
Total net position - December 31	<u>\$ 10,949,211</u>	<u>\$ 3,714,912</u>

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, 2014**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Stormwater Utility</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 1,861,114	\$ 4,832,414
Payments to suppliers	(436,322)	(2,003,541)
Payments to employees	(684,473)	(1,715,784)
Receipts from others	369	5,439
Net cash provided by operating activities	<u>740,688</u>	<u>1,118,528</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Receipt from sale of capital assets	-	110,910
Transfer out to debt service fund	(51,421)	-
Purchases of capital assets	(215,523)	(981,357)
Insurance recoveries	-	9,735
Net cash used by capital and related financing activities	<u>(266,944)</u>	<u>(860,712)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment earnings received	11,535	388
Net cash provided by investing activities	<u>11,535</u>	<u>388</u>
Net increase (decrease) in equity in pooled cash and investments	485,279	258,204
Equity in pooled cash and investments - January 1	1,972,927	220,908
Equity in pooled cash and investments - December 31	<u>\$ 2,458,206</u>	<u>\$ 479,112</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 613,284	\$ 297,357
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	138,460	701,629
Effects of changes in current assets and liabilities:		
Accounts receivable	(3,553)	(91,641)
Inventory	-	9,459
Prepaid items	(2,418)	53,780
Accounts/retainage payable	(5,387)	31,042
Compensated absences and wages payable	302	116,902
Total adjustments	<u>127,404</u>	<u>821,171</u>
Net cash provided by operating activities	<u>\$ 740,688</u>	<u>\$ 1,118,528</u>
<b>NONCASH CAPITAL ACTIVITIES:</b>		
Contributions of capital assets	<u>\$ 375,000</u>	<u>\$ 844,058</u>

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

**TOWN OF PARKER, COLORADO**  
**Fiduciary Fund**  
**Statement of Fiduciary Net Position**  
**December 31, 2014**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Equity in pooled cash and investments	\$ 2,358,611
<b>LIABILITIES</b>	
Security escrows	\$ 2,358,611

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

**TOWN OF PARKER, COLORADO**  
**Notes to the Financial Statements**  
**December 31, 2014**

**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, information technology, 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 and primarily the PACE Center. 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.

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 *Cultural Fund* accounts for the operations of the PACE Center and is classified as a major fund for SCFD Tier II grant requirements.

The *Mainstreet Center Fund* accounts for the operations of the Mainstreet Center and is classified as a major fund for SCFD Tier II grant requirements.

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the Stormwater Utility fund and the internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Any revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting their assets and liabilities.

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

### **1. Cash and investments**

#### *Equity in pooled cash and investments*

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

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

### **2. Receivables**

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

Taxes levied and certified to Douglas County in December of the preceding year, attach as an enforceable lien on the property as of January 1. Douglas County bills and collects property taxes

for the Town. At the option of the taxpayer, property taxes may be paid in either one installment on April 30, or two installments on February 28 and June 15. Property taxes are recognized as receivables and a deferred inflows of resources when levied; and as revenue when due for collection in the following year.

**3. Inventories**

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

**4. Prepaid items**

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

**5. Restricted net position**

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

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

**6. Capital assets**

Capital assets, including property, plant, equipment and infrastructure (roads, bridges, sidewalks and similar immovable items) are reported in the applicable governmental or business-type activities in the government-wide and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Purchased and constructed capital assets are recorded at historical cost or estimated historical cost (if actual historical costs could not be determined). Donated capital assets are recorded at estimated fair 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:

<u>Asset Type</u>	<u>Years</u>
Buildings	20 – 50
Building improvements	20
Improvements other than buildings	20 – 30
Machinery and equipment	5 – 17
Infrastructure	20 – 50

**7. Compensated absences**

Employees are permitted to accumulate earned but unused vacation and sick pay benefits. The maximum vacation and sick leave hours that an employee may accumulate or receive upon separation of service is limited by Town policy. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Unpaid accumulated sick pay is reported only for employees who are eligible for payout upon separation from the Town (five years

or more in service). A liability for compensated absences is reported in the governmental funds only for employees who have resigned or retired for which the liability is expected to be paid with current available resources.

## **8. Long-term obligations**

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

## **9. Deferred outflows/inflows of resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, *unavailable revenue*, are reported on the government-wide statement of net position and on the governmental funds balance sheet. The Town funds report unavailable revenues from property taxes and grant revenue. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

## **10. Net position**

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

- *Net investment in capital assets* – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.
- *Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- *Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

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

## **11. Fund balance**

In the Government-wide financial statements and the proprietary funds in the fund financial statements, net position is restricted when constraints placed on the net position are externally imposed. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned or unassigned. When an

expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

- Nonspendable – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures.
- Restricted – amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions, or enabling legislation that are legally enforceable.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council by ordinance. The committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. The classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned – amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Intent may be expressed by Town Council through an informal action or Town Council can delegate the authority through resolution. This authority has been delegated to the Town Administrator.
- Unassigned – the General Fund, as the principal operating fund of the Town, often will have net resources in excess of what can properly be classified in one of the four categories already described. If so, that surplus is presented as unassigned fund balance.

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

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

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

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

Details of the \$72,316,141 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	\$ 10,655,000
Certificates of participation series 2009	39,490,000
Certificates of participation series 2014	19,520,000
Underwriters discount	(63,065)
Premium	662,143
Accrued interest payable	610,924
Compensated absences	<u>1,441,139</u>

Net adjustment to reduce *fund balance – total governmental funds* to arrive at *net position – governmental activities* \$ 72,316,141

**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 \$11,776,294 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	\$ 26,612,624
Depreciation expense	<u>(14,836,330)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 11,776,294</u>

Details of the \$22,718,839 for the net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position are as follows:

Capital donations	\$ 23,414,003
Capital asset deletions net of accumulated depreciation	<u>(695,164)</u>
Net adjustment to decrease <i>net changes in fund balances total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 22,718,839</u>

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 \$(18,229,976) item are as follows:

Debt proceeds	
Certificates of participation series 2014	\$(20,204,976)
Principal repayments:	
Revenue bonds	745,000
Certificates of participation series 2009	<u>1,230,000</u>
Net adjustment to decrease <i>net changes in fund balances total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$(18,229,976)</u>

Details of the \$36,864 reconciliation element which states that “Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” are as follows:

Compensated absences	\$ 53,660
Debt underwriter discount	65,240
Debt issuance costs	(2,175)
Premium	22,833
Interest	<u>(102,694)</u>
Net adjustment to decrease <i>net changes in fund balances total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 36,864</u>

**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, 2014, appropriations including transfers were amended as follows:

<u>Fund</u>	<u>Original Budget</u>	<u>Increase/ Decrease</u>	<u>Final Budget</u>
General	\$ 43,423,830	\$ 1,714,499	\$ 45,138,329
Special Revenue			
Parks and Recreation	16,186,600	1,272,557	17,459,157
Law Enforcement Assistance	155,900	90,000	245,900
PACE	2,617,988	279,664	2,897,652
Recreation	5,756,911	26,736	5,783,647
Mainstreet Center	1,069,540	60,476	1,130,016
Parker Authority for Reinvestment	180,262	1,090,794	1,271,056
Greater Parker Foundation	111,500	(71,975)	39,525
Capital Project			
Public Improvements	18,777,255	4,829,541	23,606,796
Police/PACE Center Construction	-	350,757	350,757
Debt Service			
General	-	276,413	276,413
Internal Service			
Fleet Services	1,623,900	4,356	1,628,256
Technology Management	2,189,178	670,603	2,859,781
Facility Services	732,674	4,484	737,158
Enterprise			
Stormwater Utility	1,671,329	(85,763)	1,585,566

## NOTE 4 DETAILED NOTES ON ALL FUNDS

### A. Cash deposits and investments

Cash deposits and investments are reflected on the December 31, 2014 Statements of Net Position as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Fiduciary Funds</b>	<b>Totals</b>
Equity in pooled cash and investments	\$ 51,450,902	\$ 2,458,206	\$ 2,358,611	\$ 56,267,719
Cash and investments	6,508,376	-	-	6,508,376
Investments held in escrow by trustee	7,827,273	-	-	7,827,273
	<u>\$ 63,786,551</u>	<u>\$ 2,458,206</u>	<u>\$ 2,358,611</u>	<u>\$ 70,603,368</u>

	<b>Equity in Pool</b>	<b>Cash and Investments</b>	<b>Investments Held in Escrow</b>	<b>Totals</b>
Cash on hand	\$ -	\$ 8,650	\$ -	\$ 8,650
Cash deposits	1,436,274	6,499,726	-	7,936,000
Investments	54,831,445	-	7,827,273	62,658,718
	<u>\$ 56,267,719</u>	<u>\$ 6,508,376</u>	<u>\$ 7,827,273</u>	<u>\$ 70,603,368</u>

#### 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, 2014, 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, 2014, the Town's investment balances were as follows:

Investment	S&P Rating	Moody Rating	% of Total	Fair Value	Maturities		
					Less than 1 year	1-2 years	3-5 years
US Treasury Notes	AA+	Aaa	1.6%	\$ 1,004,380	\$ -	\$ 1,004,380	\$ -
US Agency Securities	AA+	Aaa	22.5%	14,126,600	1,501,275	4,488,575	8,136,750
Corporate Bonds	AA+	Aa3	0.8%	501,280	501,280	-	-
Corporate Bonds	AAA	Aaa	0.8%	510,255	-	510,255	-
Corporate Bonds	AA-	Aa3	2.7%	1,699,462	1,201,352	-	498,110
CSAFE	AAAm		58.8%	36,847,573	36,847,573	-	-
COLOTRUST	AAAm		0.2%	141,895	141,895	-	-
Wells Fargo Trust	AA-	Aa3	12.5%	7,827,273	7,827,273	-	-
			<u>100.0%</u>	<u>\$ 62,658,718</u>	<u>\$ 48,020,648</u>	<u>\$ 6,003,210</u>	<u>\$ 8,634,860</u>

S&P - Standard & Pools

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

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

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

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

COLOTRUST operates similarly to a money market fund in which each share has value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2014, the Town had \$22,793 invested in COLOTRUST PRIME and \$119,102 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, 2014 \$3,785,339 Certificate of Participation Series 2009 reserve funds are currently being invested in COLOTRUST PLUS+, and \$4,041,934 Certificate of Participation Series 2014 construction funds are being invested in the Wells Fargo Advantage Money Market Fund.

## B. Receivables

The General Fund accounts receivable balance of \$6,185,068 is reported net of an allowance for uncollectible accounts of \$23,671.

## C. Capital assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 52,051,506	\$ 19,734,929	\$ -	\$ -	\$ 71,786,435
Intangible assets	237,484,862	1,470,219	(273,693)	450,866	239,132,254
Construction in progress	9,532,503	24,235,604	(421,471)	(7,380,467)	25,966,169
Total capital assets not being depreciated	<u>299,068,871</u>	<u>45,440,752</u>	<u>(695,164)</u>	<u>(6,929,601)</u>	<u>336,884,858</u>
Capital assets being depreciated:					
Buildings	65,874,307	876,082	-	-	66,750,389
Improvements other than buildings	28,071,581	373,026	-	6,929,601	35,374,208
Infrastructure	302,731,401	2,354,853	-	-	305,086,254
Machinery and equipment	15,302,314	2,004,510	(612,301)	-	16,694,523
Total capital assets being depreciated	<u>411,979,603</u>	<u>5,608,471</u>	<u>(612,301)</u>	<u>6,929,601</u>	<u>423,905,374</u>
Less accumulated depreciation for:					
Buildings	(12,898,073)	(2,099,561)	-	-	(14,997,634)
Improvements other than buildings	(6,611,904)	(1,135,056)	-	-	(7,746,960)
Infrastructure	(127,491,870)	(11,320,826)	-	-	(138,812,696)
Machinery and equipment	(11,548,700)	(982,516)	510,497	-	(12,020,719)
Total accumulated depreciation	<u>(158,550,547)</u>	<u>(15,537,959)</u>	<u>510,497</u>	<u>-</u>	<u>(173,578,009)</u>
Total capital assets being depreciated, net	<u>253,429,056</u>	<u>(9,929,488)</u>	<u>(101,804)</u>	<u>6,929,601</u>	<u>250,327,365</u>
Governmental activities capital assets, net	<u>\$ 552,497,927</u>	<u>\$ 35,511,264</u>	<u>\$ (796,968)</u>	<u>\$ -</u>	<u>\$ 587,212,223</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 2,349,291	\$ 575,000	\$ -	\$ -	\$ 2,924,291
Capital assets being depreciated:					
Machinery and equipment	6,310	15,523	-	-	21,833
Infrastructure	6,566,168	-	-	-	6,566,168
Total capital assets being depreciated	<u>6,572,478</u>	<u>15,523</u>	<u>-</u>	<u>-</u>	<u>6,588,001</u>
Less accumulated depreciation for:					
Machinery and equipment	(6,310)	(1,552)	-	-	(7,862)
Infrastructure	(812,927)	(136,908)	-	-	(949,835)
Total accumulated depreciation	<u>(819,237)</u>	<u>(138,460)</u>	<u>-</u>	<u>-</u>	<u>(957,697)</u>
Total capital assets being depreciated, net	<u>5,753,241</u>	<u>(122,937)</u>	<u>-</u>	<u>-</u>	<u>5,630,304</u>
Business-type activities capital assets, net	<u>\$ 8,102,532</u>	<u>\$ 452,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,554,595</u>

Depreciation expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 213,136
Public safety	760,227
Highways and Streets, including depreciation of general infrastructure assets	11,568,662
Culture and recreation	2,294,305
Capital assets held by the Town's internal service funds are charged to the various functions based on their usage of the assets	701,629
Total depreciation expense - governmental activities	<u>\$ 15,537,959</u>

**Business-type activities:**

Stormwater utility	<u>\$ 138,460</u>
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**D. Open construction commitments**

At December 31, 2014, the Town had the following open construction commitments:

Project	2014 Expenditures	Remaining Commitment	Project Total
101-4310-3445 Concrete Repair	\$ 505,159	\$ 30,370	\$ 535,529
203-4520-7210 Recreation Center Expansion	6,431,133	9,000,139	16,025,000
203-4520-7717 Norton Improvements	-	14,131	659,600
203-4520-7718 Douglas County Library/Civic Plaza Site	105,585	7,194,415	7,300,000
203-4520-7724 East/West Regional Trail	49,428	975,572	1,025,000
203-4520-7766 Dog Park/Disc Golf	8,235	841,765	850,000
207-4545-3900 Schoolhouse Rehabilitation Project	147,040	727,764	878,000
301-4310-7566 Chamber Widening (Mainstreet to Hess)	286,624	11,300,000	11,586,624
301-4310-7610 Hess Road Widening (Motsenbocker to Leesburg)	3,970,501	457,699	4,664,958
301-4310-7612 Todd Drive (Jordan to Motsenbocker)	429,184	1,345,816	1,775,000
301-4310-7700 Power line Undergrounding	958,944	35,656	999,100
301-4310-7776 East-Main Site Development	189,900	4,166,340	4,356,240
301-4317-7210 Public Works Facility	9,611,594	5,847,420	16,000,000
501-4315-7831 Stormwater Imp. (Cherry Creek at Norton Open Space)	200,000	75,000	315,000
Total	<u>\$ 22,893,327</u>	<u>\$ 42,012,087</u>	<u>\$ 66,970,051</u>

**E. Interfund transfers**

This schedule summarizes the Town's interfund transfers for the year ended December 31, 2014:

Transfers Out:	Transfers In:								
	General Fund	Recreation Fund	PACE Fund	Mainstreet Center Fund	Public Improvements Fund	Recreation Debt Service Fund	Debt Service Fund	Fleet Services Fund	Total Transfers In
General Fund	\$ -	\$ -	\$ 1,050,000	\$ -	\$ 315,000	\$ -	\$ 209,600	\$ -	\$ 1,574,600
Parks and Recreation Fund	927,600	1,066,500	-	147,700	-	1,361,316	-	-	3,503,116
Recreation Fund	-	-	-	-	-	-	-	-	-
Public Improvement Fund	-	-	-	-	-	-	-	-	-
Excise Tax Fund	-	-	-	510,000	-	-	-	-	510,000
Stormwater Utility Fund	-	-	-	-	-	-	51,421	-	51,421
Total transfers out	<u>\$ 927,600</u>	<u>\$ 1,066,500</u>	<u>\$ 1,050,000</u>	<u>\$ 657,700</u>	<u>\$ 315,000</u>	<u>\$ 1,361,316</u>	<u>\$ 261,021</u>	<u>\$ -</u>	<u>\$ 5,639,137</u>

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.

## **F. Fund balance**

Article X, Section 20 of the Constitution of the State of Colorado requires the Town to establish emergency reserves (see Note 5 Section B.2.). The amount required to be reserved at December 31, 2014 totaled \$1,698,000 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 \$858,398 is restricted for parks, recreation and open space and \$5,859,978 is restricted for highways and streets.

Revenues generated from the vehicle surcharges and late vehicle registration fees are distributed to the Town from the Highway Users Tax Fund. The revenue is restricted for road safety enhancements. The fund balance for December 31, 2014 \$258,091 is restricted for highways and streets.

Certificates of Participation were issued in 2009 and 2014. As of December 31, 2014 Wells Fargo Trust held \$3,785,339 in reserve funds for the 2009 series and \$4,041,934 in construction funds for the 2014 series. These funds are restricted for debt service.

In 1990, Town citizens voted on 0.50 percent sales tax increase that is earmarked for parks and recreation improvements. For this purpose, fund balance in the amount of \$6,279,385 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, 2014 fund balance totaled \$234,138 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, 2014 totaled \$6,708,866 for this purpose.

The Town receives monies from the State of Colorado lottery based upon a formula relative to the population of the Town. The funds, plus interest earned thereon, are restricted under the State Conservation Trust Fund. State statutes require these funds to be used for the acquisition, development and maintenance of parks and recreation facilities. Fund balance is restricted in the amount of \$3,624,632 for parks, recreation and open space for this purpose.

## G. Long-term debt

### 1. Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2014 was as follows:

	January 1, 2014	Additions	Reductions	December 31, 2014	Due Within One Year
<b>Governmental Activities</b>					
Revenue bonds					
Sales and use tax, May 2006	\$ 11,400,000	\$ -	\$ 745,000	\$ 10,655,000	\$ 775,000
Certificates of participation					
Series 2009	40,720,000	-	1,230,000	39,490,000	1,265,000
Series 2014	-	19,520,000	-	19,520,000	725,000
Discount	-	(65,240)	(2,175)	(63,065)	(3,262)
Premium	-	684,976	22,833	662,143	34,249
Total certificates of participation	40,720,000	20,139,736	1,250,658	59,609,078	3,570,987
Compensated absences	1,526,316	1,233,366	(1,200,262)	1,559,421	779,710
Total governmental activities	<u>\$ 53,646,316</u>	<u>\$ 21,373,102</u>	<u>\$ 795,396</u>	<u>\$ 71,823,499</u>	<u>\$ 5,125,697</u>

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, \$118,282 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 \$39,099 and a decrease of (\$40,991), bringing the fund's total liability to \$57,950.

At December 31, 2014, the Town 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
2015	\$ 775,000	\$ 449,438	\$ 1,224,438
2016	805,000	417,838	1,222,838
2017	840,000	383,888	1,223,888
2018	880,000	347,338	1,227,338
2019	915,000	308,622	1,223,622
2020-2024	5,240,000	880,278	6,120,278
2025	1,200,000	27,000	1,227,000
	<u>\$ 10,655,000</u>	<u>\$ 2,814,402</u>	<u>\$ 13,469,402</u>

*Sales and Use Tax Revenue Bonds Dated May 1, 2006.*

This issue consists of serial bonds in the original amount of \$17,025,000 due annually on May 1 in various amounts through May 1, 2025. The bonds maturing on or before May 1, 2015, are not subject to redemption prior to maturity. The bonds maturing on or after May 1, 2016 are

subject to redemption prior to maturity on November 1, 2015, or on any date thereafter, at the option of the Town with no premium. Interest at 4.0% to 6.0% is payable semiannually. These bonds are payable solely from the revenue derived from a 2.5% sales and use tax. Repayment of both principal and interest on this issue is insured by the Ambac Assurance Corporation.

These bonds were issued to provide funds for the acquisition and construction of a fieldhouse and related improvements.

*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, 2014 this debt had not been issued.

**3. Certificates of participation**

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 1,990,000	\$ 3,200,006	\$ 5,190,006
2016	2,040,000	3,128,549	5,168,549
2017	2,105,000	3,043,299	5,148,299
2018	2,170,000	2,958,831	5,128,831
2019	2,230,000	2,869,561	5,099,561
2020-2024	12,280,000	12,765,905	25,045,905
2025-2029	14,950,000	9,114,239	24,064,239
2030-2034	18,480,000	4,327,728	22,807,728
2035	2,765,000	189,402	2,954,402
	<u>\$ 59,010,000</u>	<u>\$41,597,520</u>	<u>\$100,607,520</u>

*Certificates of Participation Series 2009*

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

Interest rates on these COPs range from 2.25% to 5.80%. Neither the lease nor the COPs constitute a general obligation or other indebtedness of the Town and the lease will terminate if Town Council does not appropriate funds to make the payments in any fiscal year. Repayment of the COPs is secured only by moneys, if any, held by the trustee, the buildings and equipment therein.

Construction on the buildings and the COPs are reported in the government-wide statements. Annual debt service payments are included in the General Fund. The assets acquired with the COPs have a net book value of \$39.5 million.

## *Certificates of Participation Series 2014*

In 2014, the Town issued \$19,520,000 in Certificates of Participation to finance the costs of constructing and equipping a new public works facility, as well as the recreation center expansion. Payments are due semi-annually in varying amounts through October 15, 2034. The lease allows the Town the option to purchase the properties prior to the end of the lease term by paying the amount necessary to discharge the outstanding COPs. The COPs maturing on or prior to November 1, 2023, are not subject to optional redemption prior to maturity. The COPs maturing on and after November 1, 2024, are subject to redemption prior to their respective maturity dates at the option of the Town, in whole or in part, in integral multiples of \$5,000, and if in part in such order of maturities as the Town shall determine an by lot within a maturity, on 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 are still under construction with an estimated completion in 2015.

### **NOTE 5      OTHER INFORMATION**

#### **A. Risk management**

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

#### **B. Commitments and contingencies**

##### **1. Developer agreements**

The Town has entered into agreements with developers to reimburse a share of sales tax generated within that development. The purpose of the agreements is to attract desirable retailers for economic development within the Town. Currently, there are nine agreements under which the Town has future commitments. The payments are to come from 25% to 87% of sales tax in excess of a defined annual base, ranging between \$0 and \$850,000. The agreements have terms of eight to twelve years, expiring between 2017 and 2021 or when the amount equal to a defined maximum shareback amount has been reimbursed, whichever comes first.

Taxes collected and due to developers as of December 31, 2014 amount to \$257,217. Future commitments under these agreements amount to approximately \$18.9 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, 2014 totaling \$1,698,000 have been presented as a reservation of fund balance in the General Fund. The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

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

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

### **3. Litigation**

At December 31, 2014, there were five lawsuits pending in which the Town is involved. Town management and its legal counsel estimate that the potential damages against the Town resulting from such litigation would be insignificant.

### **C. Employee benefits**

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

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the FPPA. This plan provides retirement benefits for police officers and their beneficiaries. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. Contribution requirements of plan members and the Town are established by statute. The contribution rate for plan members is 8% of covered salary and for the Town is 8% of covered salary.

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

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. These reports may be obtained by calling FPPA at (303) 770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area. 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.

Contributions made by plan members and the Town for the past three years were equal to the required contributions in the amounts as shown below:

<u>Year</u>	<u>Member Contributions</u>	<u>Town Contributions</u>	<u>Total</u>
2014	\$388,868	\$388,868	\$777,736
2013	362,859	362,859	702,284
2012	351,142	351,142	683,578

## **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 Great West Life Assurance Company. At December 31, 2014, there were 209 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 the Town's matching payment is 12% and vesting is on a 2 year schedule. All other provisions are the same as the employees defined contribution plan.

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

<u>Year</u>	<u>Member Contributions</u>	<u>Town Contributions</u>	<u>Total</u>
2014	\$968,634	\$1,245,723	\$2,214,357
2013	912,475	1,176,213	2,088,688
2012	834,263	1,075,385	1,909,648

## **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 the Great West Life Assurance Co.

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

## NOTE 6 COMPLIANCE AND ACCOUNTABILITY

### A. Net position deficit

The Parker Authority for Reinvestment Fund (PAR) reported a net position deficit of \$(280,669) at December 31, 2014. This was due to an interfund loan for \$950,000 from the General Fund to PAR for the purchase of a building. It is anticipated that the building will be sold and the loan will be repaid at that time.

The Facility Services Fund reported a net position deficit of \$(43,920) at December 31, 2014, which will be covered by operating revenues in 2015.

### B. Exceeded budgeted expenditures

The PACE Fund exceeded budgeted expenditures in 2014 by \$13,792 due to late capital expenditures. Due to the timing of the expenditures, the Town was unable to complete a supplemental appropriation for the budget deficiency.

The Facility Services Fund exceeded budgeted expenditures in 2014 by \$14,191 due to late capital expenditures. Due to the timing of the expenditures, the Town was unable to complete a supplemental appropriation for the budget deficiency.

### C. New applicable GASB standards

GASB has issued Statement number 68 Accounting and Financial Reporting for Pensions. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employees about financial support for pensions that is provided by other entities. This statement becomes effective for periods beginning after June 15, 2014. This statement will affect reporting for FPPA for the financial statements issued for the period ending December 31, 2015.

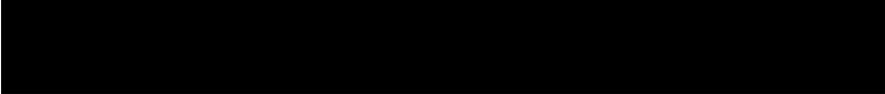
### D. Subsequent events

The Town approved Ordinance Number 1.446 authorizing execution and delivery of a loan agreement to refund the outstanding 2006 Sales and Use Tax Bonds. The refunding will take place in two parts, the paper closing occurring on January 7, 2015 with the signing of the loan agreement and promissory note and the funding of the loan occurring on October 30, 2015. The loan details are as follows:

#### Governmental Activities:

<b>Lender</b>	<b>Amount</b>	<b>Rate</b>	<b>Duration</b>
UMB Bank N.A	\$9,880,000	2.15%	2016-2025





# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES





# 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.

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

**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 and primarily the PACE Center.

## **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.

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

**Police Station/PACE Center Construction Fund** – Accounts for the financing and construction of the new police station and Parker Arts, Cultural and Events center.

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

## **DEBT SERVICE FUNDS**

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

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

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

**TOWN OF PARKER, COLORADO**  
**Other (Non-major) Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2014**

	Special Revenue					
	Conservation Trust	Law Enforcement Assistance	Recreation	Parker Authority for Reinvestment	Greater Parker Foundation	Total Special Revenue
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ -	\$ 444,302	\$ 1,553,241	\$ -	\$ -	\$ 1,997,543
Cash and investments	3,624,632	-	4,300	701,531	42,072	4,372,535
Investment earnings receivable	-	230	803	-	-	1,033
Accounts receivable	-	559	86,595	-	-	87,154
Prepaid items	-	113	50,984	-	-	51,097
Total assets	<u>\$ 3,624,632</u>	<u>\$ 445,204</u>	<u>\$ 1,695,923</u>	<u>\$ 701,531</u>	<u>\$ 42,072</u>	<u>\$ 6,509,362</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 6,947	\$ 211,272	\$ 982,200	\$ 30,000	\$ 1,230,419
Intergovernmental payables	-	-	2,596	-	-	2,596
Other Current Liabilities	-	204,006	-	-	-	204,006
Unearned revenue	-	-	305,859	-	-	305,859
Total liabilities	-	210,953	519,727	982,200	30,000	1,742,880
<b>Fund balances</b>						
Non-spendable:						
Prepaid items	-	113	50,984	-	-	51,097
Restricted:						
Parks, recreation and open space	3,624,632	-	57,000	-	-	3,681,632
Law enforcement	-	234,138	-	-	-	234,138
Culture	-	-	-	-	12,072	12,072
Highways and streets	-	-	-	-	-	-
Streets, parks, recreation, facilities and law enforcement	-	-	-	-	-	-
Assigned:						
Parks, recreation and open space	-	-	1,068,212	-	-	1,068,212
Police Station/PACE Center construction	-	-	-	-	-	-
Unassigned:	-	-	-	(280,669)	-	(280,669)
Total fund balances	<u>3,624,632</u>	<u>234,251</u>	<u>1,176,196</u>	<u>(280,669)</u>	<u>12,072</u>	<u>4,766,482</u>
Total liabilities and fund balances	<u>\$ 3,624,632</u>	<u>\$ 445,204</u>	<u>\$ 1,695,923</u>	<u>\$ 701,531</u>	<u>\$ 42,072</u>	<u>\$ 6,509,362</u>

(continued)

**TOWN OF PARKER, COLORADO**  
**Other (Non-major) Governmental Funds**  
**Combining Balance Sheet (continued)**  
**December 31, 2014**

Capital Projects				
Excise Tax	PD/PACE Construction	Parkglenn Construction	Total Capital Projects	Total Other Governmental Funds
\$ 6,651,333	\$ 64,689	\$ 199,470	\$ 6,915,492	\$ 8,913,035
-	-	-	-	4,372,535
3,438	33	103	3,574	4,607
54,095	-	-	54,095	141,249
-	-	-	-	51,097
<u>\$ 6,708,866</u>	<u>\$ 64,722</u>	<u>\$ 199,573</u>	<u>\$ 6,973,161</u>	<u>\$ 13,482,523</u>
\$ -	\$ 10,468	\$ -	\$ 10,468	\$ 1,240,887
-	-	-	-	2,596
-	-	-	-	204,006
-	-	-	-	305,859
-	10,468	-	10,468	1,753,348
-	-	-	-	51,097
-	-	-	-	3,681,632
-	-	-	-	234,138
-	-	-	-	12,072
-	-	199,573	199,573	199,573
6,708,866	-	-	6,708,866	6,708,866
-	-	-	-	1,068,212
-	54,254	-	54,254	54,254
-	-	-	-	(280,669)
<u>6,708,866</u>	<u>54,254</u>	<u>199,573</u>	<u>6,962,693</u>	<u>11,729,175</u>
<u>\$ 6,708,866</u>	<u>\$ 64,722</u>	<u>\$ 199,573</u>	<u>\$ 6,973,161</u>	<u>\$ 13,482,523</u>

(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, 2014**

	Special Revenue					Total Special Revenue
	Conservation Trust	Law Enforcement Assistance	Recreation	Parker Authority for Reinvestment	Greater Parker Foundation	
<b>REVENUES</b>						
Excise tax - new development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	392,734	44,200	15,000	425,049	-	876,983
Charges for services	-	3,444	4,439,551	-	-	4,442,995
Fines and forfeitures	-	80,849	-	-	-	80,849
Net investment earnings	1,022	1,130	4,948	91	-	7,191
Miscellaneous	-	45	2,555	-	41,303	43,903
	<u>393,756</u>	<u>129,668</u>	<u>4,462,054</u>	<u>425,140</u>	<u>41,303</u>	<u>5,451,921</u>
<b>EXPENDITURES</b>						
Current						
Public safety	-	127,847	-	-	-	127,847
Economic development	-	-	-	223,971	-	223,971
Culture and recreation	-	-	5,462,351	-	37,795	5,500,146
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	45,810	876,082	-	921,892
Total expenditures	<u>-</u>	<u>127,847</u>	<u>5,508,161</u>	<u>1,100,053</u>	<u>37,795</u>	<u>6,773,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>393,756</u>	<u>1,821</u>	<u>(1,046,107)</u>	<u>(674,913)</u>	<u>3,508</u>	<u>(1,321,935)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	1,066,500	-	-	1,066,500
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,066,500</u>	<u>-</u>	<u>-</u>	<u>1,066,500</u>
Net change in fund balances	393,756	1,821	20,393	(674,913)	3,508	(255,435)
Fund balances - January 1	3,230,876	232,430	1,155,803	394,244	8,564	5,021,917
Fund balances - December 31	<u>\$ 3,624,632</u>	<u>\$ 234,251</u>	<u>\$ 1,176,196</u>	<u>\$ (280,669)</u>	<u>\$ 12,072</u>	<u>\$ 4,766,482</u>

(continued)

**TOWN OF PARKER, COLORADO**  
**Other (Non-major) Governmental Funds (continued)**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2014**

Capital Projects				Debt Service			Total Other Governmental Funds
Excise Tax	PD/PACE Construction	Parkglenn Construction	Total Capital Projects	General Debt	Recreation Debt	Total Debt Service	
\$ 2,655,816	\$ -	\$ -	\$ 2,655,816	\$ -	\$ -	\$ -	\$ 2,655,816
-	-	-	-	-	-	-	876,983
-	-	-	-	-	-	-	4,442,995
-	-	-	-	-	-	-	80,849
18,607	660	616	19,883	-	-	-	27,074
-	-	-	-	-	-	-	43,903
<u>2,674,423</u>	<u>660</u>	<u>616</u>	<u>2,675,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,127,620</u>
-	16,070	-	16,070	-	-	-	143,917
-	-	-	-	-	-	-	223,971
-	44,727	-	44,727	-	-	-	5,544,873
-	-	-	-	-	745,000	745,000	745,000
-	-	-	-	261,021	616,166	877,187	877,187
-	-	-	-	-	150	150	150
-	255,866	-	255,866	-	-	-	1,177,758
<u>-</u>	<u>316,663</u>	<u>-</u>	<u>316,663</u>	<u>261,021</u>	<u>1,361,316</u>	<u>1,622,337</u>	<u>8,712,856</u>
<u>2,674,423</u>	<u>(316,003)</u>	<u>616</u>	<u>2,359,036</u>	<u>(261,021)</u>	<u>(1,361,316)</u>	<u>(1,622,337)</u>	<u>(585,236)</u>
-	-	-	-	261,021	1,361,316	1,622,337	2,688,837
(510,000)	-	-	(510,000)	-	-	-	(510,000)
<u>(510,000)</u>	<u>-</u>	<u>-</u>	<u>(510,000)</u>	<u>261,021</u>	<u>1,361,316</u>	<u>1,622,337</u>	<u>2,178,837</u>
2,164,423	(316,003)	616	1,849,036	-	-	-	1,593,601
4,544,443	370,257	198,957	5,113,657	-	-	-	10,135,574
<u>\$ 6,708,866</u>	<u>\$ 54,254</u>	<u>\$ 199,573</u>	<u>\$ 6,962,693</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,729,175</u>

(concluded)

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Conservation Trust Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 399,960	\$ 399,960	\$ 392,734	\$ (7,226)
Net investment earnings	3,800	3,800	1,022	(2,778)
Total revenues	<u>403,760</u>	<u>403,760</u>	<u>393,756</u>	<u>(10,004)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>3,000,000</u>
Net change in fund balance	(2,596,240)	(2,596,240)	393,756	2,989,996
Fund balance - January 1	<u>3,195,724</u>	<u>3,230,876</u>	<u>3,230,876</u>	<u>-</u>
Fund balance - December 31	<u>\$ 599,484</u>	<u>\$ 634,636</u>	<u>\$ 3,624,632</u>	<u>\$ 2,989,996</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Law Enforcement Assistance Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 44,200	\$ 2,200
Charges for services	4,100	4,100	3,444	(656)
Fines and forfeitures	95,800	95,800	80,849	(14,951)
Net investment earnings	300	300	1,130	830
Miscellaneous	-	-	45	45
	<u>142,200</u>	<u>142,200</u>	<u>129,668</u>	<u>(12,532)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	115,900	115,900	127,847	(11,947)
Capital outlay	40,000	130,000	-	130,000
Total expenditures	<u>155,900</u>	<u>245,900</u>	<u>127,847</u>	<u>118,053</u>
Net change in fund balance	(13,700)	(103,700)	1,821	105,521
Fund balance - January 1	146,554	232,430	232,430	-
Fund balance - December 31	<u>\$ 132,854</u>	<u>\$ 128,730</u>	<u>\$ 234,251</u>	<u>\$ 105,521</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Recreation Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 19,400	\$ 19,400	\$ 15,000	(4,400)
Charges for services	3,778,750	3,778,750	4,439,551	\$ 660,801
Net investment earnings	1,500	1,500	4,948	3,448
Miscellaneous	-	-	2,555	2,555
Total revenues	<u>3,799,650</u>	<u>3,799,650</u>	<u>4,462,054</u>	<u>662,404</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	5,666,301	5,693,037	5,462,351	230,686
Capital outlay	<u>90,610</u>	<u>90,610</u>	<u>45,810</u>	<u>44,800</u>
Total expenditures	<u>5,756,911</u>	<u>5,783,647</u>	<u>5,508,161</u>	<u>275,486</u>
Deficiency of revenues under expenditures	<u>(1,957,261)</u>	<u>(1,983,997)</u>	<u>(1,046,107)</u>	<u>937,890</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,066,500</u>	<u>1,066,500</u>	<u>1,066,500</u>	<u>-</u>
Net change in fund balance	(890,761)	(917,497)	20,393	937,890
Fund balance - January 1	<u>1,180,145</u>	<u>1,155,803</u>	<u>1,155,803</u>	<u>-</u>
Fund balance - December 31	<u>\$ 289,384</u>	<u>\$ 238,306</u>	<u>\$ 1,176,196</u>	<u>\$ 937,890</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Parker Authority for Reinvestment**  
**For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 451,500	\$ 451,500	\$ 425,049	\$ (26,451)
Investment earnings	200	200	91	(109)
Total revenues	<u>451,700</u>	<u>451,700</u>	<u>425,140</u>	<u>(26,560)</u>
<b>EXPENDITURES</b>				
Current				
Economic development	180,262	265,796	223,971	41,825
Capital outlay	-	1,005,260	876,082	129,178
Total expenditures	<u>180,262</u>	<u>1,271,056</u>	<u>1,100,053</u>	<u>171,003</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>271,438</u>	<u>(819,356)</u>	<u>(674,913)</u>	<u>(197,563)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	950,000	-	950,000
Net change in fund balance	271,438	130,644	(674,913)	752,437
Fund balance - January 1	123,351	394,244	394,244	-
Fund balance - December 31	<u>\$ 394,789</u>	<u>\$ 524,888</u>	<u>\$ (280,669)</u>	<u>\$ 752,437</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Greater Parker Foundation**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 115,000	\$ 49,653	\$ 41,303	\$ (8,350)
<b>EXPENDITURES</b>				
Culture and recreation	111,500	39,525	37,795	1,730
Net change in fund balance	3,500	10,128	3,508	(6,620)
Fund balance - January 1	8,814	8,564	8,564	-
Fund balance - December 31	<u>\$ 12,314</u>	<u>\$ 18,692</u>	<u>\$ 12,072</u>	<u>\$ (6,620)</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Excise Tax Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Excise tax - new development	\$ 1,614,900	\$ 1,614,900	\$ 2,655,816	\$ 1,040,916
Net investment earnings	10,400	10,400	18,607	8,207
Total revenues	<u>1,625,300</u>	<u>1,625,300</u>	<u>2,674,423</u>	<u>1,049,123</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(510,000)	(510,000)	(510,000)	-
Net change in fund balance	1,115,300	1,115,300	2,164,423	1,049,123
Fund balance - January 1	4,651,986	4,544,443	4,544,443	-
Fund balance - December 31	<u>\$ 5,767,286</u>	<u>\$ 5,659,743</u>	<u>\$ 6,708,866</u>	<u>\$ 1,049,123</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Police Station / PACE Center Construction Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Net investment earnings	\$ 100	\$ 100	\$ 660	\$ 560
Total revenues	<u>100</u>	<u>100</u>	<u>660</u>	<u>560</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	18,000	16,070	1,930
Culture and recreation	-	50,000	44,727	5,273
Capital outlay				
Public safety	-	25,282	-	25,282
Culture and recreation	-	257,475	255,866	1,609
Total expenditures	<u>-</u>	<u>350,757</u>	<u>316,663</u>	<u>34,094</u>
Net change in fund balance	100	(350,657)	(316,003)	34,654
Fund balance - January 1	63,605	370,257	370,257	-
Fund balance - December 31	<u>\$ 63,705</u>	<u>\$ 19,600</u>	<u>\$ 54,254</u>	<u>\$ 34,654</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Parkglenn Construction Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Net investment earnings	\$ 400	\$ 400	\$ 616	\$ 216
Net change in fund balance	400	400	616	216
Fund balance - January 1	<u>199,353</u>	<u>198,957</u>	<u>198,957</u>	<u>-</u>
Fund balance - December 31	<u>\$ 199,753</u>	<u>\$ 199,357</u>	<u>\$ 199,573</u>	<u>\$ 216</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Debt Service Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Debt Service				
Interest	\$ -	\$ 276,413	\$ 261,021	\$ 15,392
Deficiency of revenues under expenditures	-	(276,413)	(261,021)	15,392
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	276,413	261,021	(15,392)
Net change in fund balance	-	-	-	-
Fund balance - January 1	-	-	-	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Recreation Debt Fund**  
**For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
Debt service				
Principal	\$ 977,900	\$ 977,900	\$ 745,000	\$ 232,900
Interest	815,500	815,500	616,166	199,334
Fiscal charges	2,000	2,000	150	1,850
Total expenditures	1,795,400	1,795,400	1,361,316	434,084
Deficiency of revenues under expenditures	(1,795,400)	(1,795,400)	(1,361,316)	434,084
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,795,400	1,795,400	1,361,316	(434,084)
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.

**TOWN OF PARKER, COLORADO**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**December 31, 2014**

	<u>Fleet Services</u>	<u>Technology Management</u>	<u>Facility Services</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Equity in pooled cash and investments	\$ 10,396	\$ 464,824	\$ 3,892	\$ 479,112
Investment earnings receivable	5	240	2	247
Accounts receivable	66,191	43,558	192	109,941
Prepaid items	5,232	70,198	8,275	83,705
Inventory	42,964	-	-	42,964
Total current assets	<u>124,788</u>	<u>578,820</u>	<u>12,361</u>	<u>715,969</u>
Capital assets				
Intangible assets	-	570,639	-	570,639
Machinery and equipment	8,422,105	2,766,825	-	11,188,930
Accumulated depreciation	<u>(6,021,940)</u>	<u>(2,481,854)</u>	<u>-</u>	<u>(8,503,794)</u>
Capital assets net of accumulated depreciation	<u>2,400,165</u>	<u>855,610</u>	<u>-</u>	<u>3,255,775</u>
Total assets	<u>2,524,953</u>	<u>1,434,430</u>	<u>12,361</u>	<u>3,971,744</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and other current liabilities	42,429	60,731	35,390	138,550
Compensated absences	<u>15,780</u>	<u>81,611</u>	<u>20,891</u>	<u>118,282</u>
Total liabilities	<u>58,209</u>	<u>142,342</u>	<u>56,281</u>	<u>256,832</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,400,165	855,610	-	3,255,775
Unrestricted	66,579	436,478	(43,920)	459,137
Total net position	<u>\$ 2,466,744</u>	<u>\$ 1,292,088</u>	<u>\$ (43,920)</u>	<u>\$ 3,714,912</u>

**TOWN OF PARKER, COLORADO**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended December 31, 2014**

	<u>Fleet Services</u>	<u>Technology Management</u>	<u>Facility Services</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 1,592,746	\$ 2,593,535	\$ 737,774	\$ 4,924,055
Miscellaneous	1,922	3,325	192	5,439
Total operating revenues	<u>1,594,668</u>	<u>2,596,860</u>	<u>737,966</u>	<u>4,929,494</u>
<b>OPERATING EXPENSES</b>				
Cost of sales and services	836,372	2,342,787	751,349	3,930,508
Depreciation	613,272	88,357	-	701,629
Total operating expenses	<u>1,449,644</u>	<u>2,431,144</u>	<u>751,349</u>	<u>4,632,137</u>
Operating income (loss)	<u>145,024</u>	<u>165,716</u>	<u>(13,383)</u>	<u>297,357</u>
<b>NON-OPERATING REVENUES</b>				
Net investment earnings	155	349	-	504
Insurance recoveries	9,735	-	-	9,735
Gain (loss) on disposal of asset	50,343	-	-	50,343
Total non-operating revenue	<u>60,233</u>	<u>349</u>	<u>-</u>	<u>60,582</u>
Income before contributions and transfers	205,257	166,065	(13,383)	357,939
Capital contributions	<u>54,006</u>	<u>790,052</u>	<u>-</u>	<u>844,058</u>
Changes in net position	259,263	956,117	(13,383)	1,201,997
Total net position - January 1	<u>2,207,481</u>	<u>335,971</u>	<u>(30,537)</u>	<u>2,512,915</u>
Total net position - December 31	<u>\$ 2,466,744</u>	<u>\$ 1,292,088</u>	<u>\$ (43,920)</u>	<u>\$ 3,714,912</u>

**TOWN OF PARKER, COLORADO**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

	<u>Fleet Services</u>	<u>Technology Management</u>	<u>Facility Services</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 1,543,437	\$ 2,550,937	\$ 738,040	\$ 4,832,414
Receipts from others	1,922	3,325	192	5,439
Payments to suppliers	(450,890)	(1,279,136)	(273,515)	(2,003,541)
Payments to employees	(363,616)	(878,567)	(473,601)	(1,715,784)
Net cash provided (used) by operating activities	<u>730,853</u>	<u>396,559</u>	<u>(8,884)</u>	<u>1,118,528</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Receipts from the sale of assets	110,910	-	-	110,910
Insurance recoveries	9,735	-	-	9,735
Purchases of capital assets	(842,831)	(138,526)	-	(981,357)
Net cash provided (used) by capital and related financing activities	<u>(722,186)</u>	<u>(138,526)</u>	<u>-</u>	<u>(860,712)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net investment earnings received	151	231	6	388
Net cash provided (used) by investing activities	<u>151</u>	<u>231</u>	<u>6</u>	<u>388</u>
Net increase (decrease) in cash and cash equivalents	8,818	258,264	(8,878)	258,204
Equity in pooled cash and cash equivalents - January 1	1,578	206,560	12,770	220,908
Equity in pooled cash and cash equivalents - December 31	<u>\$ 10,396</u>	<u>\$ 464,824</u>	<u>\$ 3,892</u>	<u>\$ 479,112</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	<u>\$ 145,024</u>	<u>\$ 165,716</u>	<u>\$ (13,383)</u>	<u>\$ 297,357</u>
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation expense	613,272	88,357	-	701,629
Changes in current assets and liabilities:				
Inventory	9,459	-	-	9,459
Prepaid items	(705)	52,661	1,824	53,780
Accounts receivable	(49,309)	(42,598)	266	(91,641)
Accounts payable	10,603	25,395	(4,956)	31,042
Compensated absences and wages payable	2,509	107,028	7,365	116,902
Total adjustments	<u>585,829</u>	<u>230,843</u>	<u>4,499</u>	<u>821,171</u>
Net cash provided (used) by operating activities	<u>\$ 730,853</u>	<u>\$ 396,559</u>	<u>\$ (8,884)</u>	<u>\$ 1,118,528</u>
<b>NONCASH CAPITAL ACTIVITIES:</b>				
Contributions of capital assets	<u>\$ 54,006</u>	<u>\$ 790,052</u>	<u>\$ -</u>	<u>\$ 844,058</u>

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis**  
**Fleet Services Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 1,367,216	\$ 1,548,900	\$ 1,592,746	\$ 43,846
Net investment earnings	1,200	1,200	155	(1,045)
Insurance recoveries	-	-	9,735	9,735
Gain on sale of disposal of asset	-	-	110,910	110,910
Miscellaneous	-	-	1,922	1,922
Total revenues	<u>1,368,416</u>	<u>1,550,100</u>	<u>1,715,468</u>	<u>165,368</u>
<b>EXPENDITURES</b>				
Current				
Fleet services	763,900	768,256	836,372	(68,116)
Capital outlay	<u>860,000</u>	<u>860,000</u>	<u>842,831</u>	<u>17,169</u>
Total expenditures	<u>1,623,900</u>	<u>1,628,256</u>	<u>1,679,203</u>	<u>(50,947)</u>
Excess (deficiency) of revenues over (under) expenditures	(255,484)	(78,156)	36,265	114,421
Funds available for appropriation - January 1	<u>752,247</u>	<u>30,314</u>	<u>30,314</u>	<u>-</u>
Funds available for appropriation - December 31	<u>\$ 496,763</u>	<u>\$ (47,842)</u>	<u>66,579</u>	<u>\$ 114,421</u>
<b>Reconciliation of funds available to net position</b>				
Add				
Capital assets			<u>2,400,165</u>	
Net position - December 31			<u>\$ 2,466,744</u>	
Funds available at December 31 is computed as follows:				
Current assets			\$ 124,788	
Current liabilities			<u>(58,209)</u>	
Funds available - December 31			<u>\$ 66,579</u>	

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis**  
**Technology Management Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 2,182,109	\$ 2,479,283	\$ 2,593,535	\$ 114,252
Net investment earnings	200	200	349	149
Miscellaneous	-	-	3,325	3,325
Total revenues	<u>2,182,309</u>	<u>2,479,483</u>	<u>2,597,209</u>	<u>117,726</u>
<b>EXPENDITURES</b>				
Current				
Technology management services	2,127,300	2,547,798	2,342,787	205,011
Capital outlay	<u>61,878</u>	<u>311,983</u>	<u>138,526</u>	<u>173,457</u>
Total expenditures	<u>2,189,178</u>	<u>2,859,781</u>	<u>2,481,313</u>	<u>378,468</u>
Excess (deficiency) of revenues over (under) expenditures	(6,869)	(380,298)	115,896	496,194
Funds available for appropriation - January 1	<u>176,403</u>	<u>320,582</u>	<u>320,582</u>	<u>-</u>
Funds available for appropriation - December 31	<u>\$ 169,534</u>	<u>\$ (59,716)</u>	436,478	<u>\$ 496,194</u>
<b>Reconciliation of funds available to net position</b>				
Add				
Capital assets			855,610	
Net position - December 31			<u>\$ 1,292,088</u>	
Funds available at December 31 is computed as follows:				
Current assets			\$ 578,820	
Current liabilities			<u>(142,342)</u>	
Funds available - December 31			<u>\$ 436,478</u>	

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis**  
**Facility Services Fund**  
**For the Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 732,600	\$ 732,600	\$ 737,774	\$ 5,174
Net investment earnings	100	100	-	(100)
Miscellaneous	-	-	192	192
Total revenues	732,700	732,700	737,966	5,266
 <b>EXPENDITURES</b>				
Current				
Facility Services	732,674	737,158	751,349	(14,191)
Excess (deficiency) of revenues over (under) expenditures	26	(4,458)	(13,383)	(8,925)
Funds available for appropriation - January 1	12,228	(30,537)	(30,537)	-
Funds available for appropriation - December 31	\$ 12,254	\$ (34,995)	(43,920)	\$ (8,925)
 <b>Reconciliation of funds available to net position</b>				
Add				
Capital assets			-	
Net position - December 31			\$ (43,920)	
 Funds available at December 31, is computed as follows:				
Current assets			\$ 12,361	
Current liabilities			(56,281)	
Funds available - December 31			\$ (43,920)	



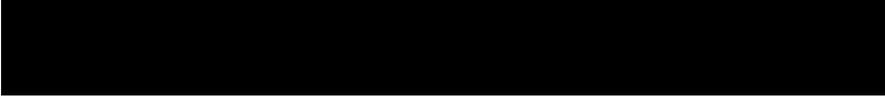
# ENTERPRISE FUND

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

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

**TOWN OF PARKER, COLORADO**  
**Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis**  
**Stormwater Utility Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 1,823,600	\$ 1,823,600	\$ 1,864,667	\$ 41,067
Net investment earnings	7,700	7,700	11,657	3,957
Miscellaneous	-	-	369	369
Total revenues	<u>1,831,300</u>	<u>1,831,300</u>	<u>1,876,693</u>	<u>45,393</u>
<b>EXPENDITURES</b>				
Current				
Storm drainage	1,400,829	1,215,066	1,113,292	101,774
Capital outlay	<u>270,500</u>	<u>370,500</u>	<u>215,523</u>	<u>154,977</u>
Total expenditures	<u>1,671,329</u>	<u>1,585,566</u>	<u>1,328,815</u>	<u>256,751</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>(216,679)</u>	<u>(51,421)</u>	<u>165,258</u>
Excess (deficiency) of revenues over (under) expenditures	159,971	245,734	599,299	302,144
Funds available for appropriation - January 1	<u>3,791,186</u>	<u>1,898,159</u>	<u>1,898,159</u>	<u>-</u>
Funds available for appropriation - December 31	<u><u>\$ 3,951,157</u></u>	<u><u>\$ 2,143,893</u></u>	<u>2,394,616</u>	<u><u>\$ 302,144</u></u>
<b>Reconciliation of funds available to net position</b>				
Add				
Capital assets			<u>8,554,595</u>	
Net position - December 31			<u><u>\$10,949,211</u></u>	
Funds available at December 31 is computed as follows:				
Current assets			\$ 2,577,306	
Current liabilities			<u>(182,690)</u>	
Funds available - December 31			<u><u>\$ 2,394,616</u></u>	



# AGENCY FUND

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

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

**TOWN OF PARKER, COLORADO**  
**Agency Fund**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**For the Year Ended December 31, 2014**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>SECURITY ESCROW FUND</b>				
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 2,574,311	\$ 2,902,766	\$ (3,118,466)	\$ 2,358,611
<b>LIABILITIES</b>				
Accounts payable	\$ 332,516	\$ -	\$ (332,516)	\$ -
Security escrows	2,241,795	4,679,742	(4,562,926)	2,358,611
Total liabilities	\$ 2,574,311	\$ 4,679,742	\$ (4,895,442)	\$ 2,358,611



# 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.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		Town : Parker Colorado
		YEAR ENDING : December 2014
This Information From The Records Of : Town of Parker	Prepared By: Phone:	Donald Wam 303-805-3107

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES****III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	22,862,869
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,794,230
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,156,395
2. General fund appropriations		b. Snow and ice removal	367,663
3. Other local imposts (from page 2)	13,199,988	c. Other	211,650
4. Miscellaneous local receipts (from page 2)	303,247	d. Total (a. through c.)	1,735,707
5. Transfers from toll facilities		4. General administration & miscellaneous	256,789
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues	13,204,976	6. Total (1 through 5)	26,649,595
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	13,204,976	a. Interest	
7. Total (1 through 6)	26,708,211	b. Redemption	
<b>B. Private Contributions</b>	3,434,640	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,483,756	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	31,626,606	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	26,649,595

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	10,107,556	31,626,606	26,649,595	15,084,567	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2014

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,231,030	a. Interest on investments	47,673
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	8,518,226	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	255,574
5. Specific Ownership &/or Other	3,450,732	g. Other Misc. Receipts	
6. Total (1. through 5.)	11,968,958	h. Other	
c. Total (a. + b.)	13,199,988	i. Total (a. through h.)	303,247
	(Carry forward to page 1)		(Carry forward to page 1)

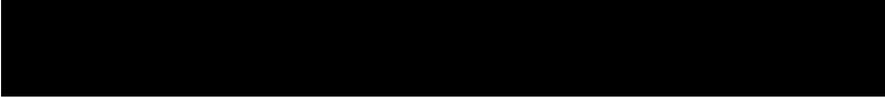
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	1,330,821	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	152,935	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	152,935	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,483,756	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		2,084,246	2,084,246
c. Construction:			
(1). New Facilities		9,611,594	9,611,594
(2). Capacity Improvements		5,278,270	5,278,270
(3). System Preservation		4,184,836	4,184,836
(4). System Enhancement & Operation		1,703,923	1,703,923
(5). Total Construction (1) + (2) + (3) + (4)	0	20,778,623	20,778,623
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	22,862,869	22,862,869
			(Carry forward to page 1)

Notes and Comments:





# STATISTICAL SECTION







# 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>90</b>
These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>96</b>
These schedules contain information to help the reader assess the Town’s most significant local revenue source, the sales tax.	
<b>Debt Capacity</b>	<b>100</b>
These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.	
<b>Operations</b>	<b>103</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town provides and the activities it performs.	
<b>Demographic and Economic Information</b>	<b>107</b>
This schedule offers demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.	

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
Invested in capital assets, net of related debt	\$206,885,480	\$208,537,870	\$220,507,338	\$243,782,175	\$500,344,050	\$509,013,226	\$504,104,093	\$503,835,736	\$500,377,927	\$520,379,154
Restricted	7,548,545	8,976,882	7,480,370	7,815,570	11,776,398	10,397,629	13,814,074	16,244,608	23,027,041	29,318,899
Unrestricted	36,336,496	46,895,486	42,076,854	25,479,434	18,027,138	20,731,912	27,702,282	28,342,704	26,597,577	27,942,722
Total governmental activities net position	250,770,521	264,410,238	270,064,562	277,077,179	530,147,586	540,142,767	545,620,449	548,423,048	550,002,545	577,640,775
<b>BUSINESS-TYPE ACTIVITIES</b>										
Invested in capital assets, net of related debt	2,240,087	2,919,246	3,647,848	4,160,345	4,450,927	4,801,767	5,896,615	7,20,729	8,102,532	8,554,595
Restricted	202,395	202,395	298,792	298,792	306,492	306,492	306,492	306,492	328,492	306,492
Unrestricted	1,179,836	915,051	608,500	547,619	736,079	918,175	1,134,774	1,270,848	1,569,667	2,088,124
Total business-type activities net position	3,622,318	4,036,692	4,555,140	5,006,756	5,493,498	6,026,434	7,337,881	9,298,069	10,000,691	10,949,211
<b>PRIMARY GOVERNMENT</b>										
Invested in capital assets, net of related debt	209,125,567	211,457,116	224,155,186	247,942,520	504,794,977	513,814,993	510,000,708	511,556,465	508,480,459	528,933,749
Restricted	7,750,940	9,179,277	7,779,162	8,114,362	12,082,890	10,704,121	14,120,566	16,551,100	23,355,333	29,625,391
Unrestricted	37,516,332	47,810,537	42,685,354	26,027,053	18,763,217	21,650,087	28,837,056	29,613,552	28,167,244	30,030,846
Total primary government net position	\$254,392,839	\$268,446,930	\$274,619,702	\$282,083,935	\$535,641,084	\$546,169,201	\$552,958,330	\$557,721,117	\$560,003,236	\$588,589,986

TOWN OF PARKER, COLORADO

Table 2

Government-wide  
Changes in Net Position  
(Accrual basis of Accounting)  
Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXPENSES</b>										
<b>Governmental activities</b>										
General government	\$ 5,835,789	\$ 6,158,271	\$ 6,567,500	\$ 7,411,394	\$ 8,026,753	\$ 6,902,160	\$ 6,944,126	\$ 7,482,851	\$ 7,360,189	\$ 6,809,852
Public Safety	7,007,920	8,392,140	8,950,238	9,674,844	9,444,213	10,061,401	11,471,942	12,256,800	12,627,487	14,711,684
Highways and streets	11,146,125	13,326,674	14,275,129	14,106,511	16,398,865	18,761,577	19,189,813	16,985,576	18,086,167	21,698,854
Economic development	1,672,434	962,782	1,262,978	1,841,975	2,969,943	3,016,342	3,313,564	3,593,093	2,793,641	1,397,949
Culture and recreation	6,065,905	5,759,043	7,552,204	8,376,520	8,388,813	8,941,387	10,775,711	12,098,279	13,372,138	14,162,538
Interest on long-term debt	546,501	897,336	1,041,229	929,437	1,343,500	3,332,577	3,085,295	3,121,137	3,064,035	3,507,958
Total governmental activities	32,274,674	35,496,246	39,649,278	42,340,681	46,572,187	51,015,444	54,780,450	55,537,736	57,303,657	62,288,835
<b>Business-type activities</b>										
Stormwater	1,240,594	856,168	916,004	1,004,615	1,067,780	1,054,138	1,161,176	1,168,038	1,229,667	1,251,752
Total business-type activities	1,240,594	856,168	916,004	1,004,615	1,067,780	1,054,138	1,161,176	1,168,038	1,229,667	1,251,752
Total primary government expenses	33,515,268	36,352,414	40,565,282	43,345,296	47,639,967	52,069,582	55,941,626	56,705,774	58,533,324	63,540,587
<b>PROGRAM REVENUES</b>										
<b>Governmental activities</b>										
Changes for services										
General government	4,010,037	2,695,824	2,247,540	1,539,939	1,162,546	1,160,093	1,265,096	1,785,865	1,662,328	1,896,754
Public Safety	1,702,611	1,634,808	1,190,406	1,087,098	1,087,175	933,082	1,644,582	2,744,541	2,258,982	2,370,645
Highways and streets	417,340	414,067	423,393	372,616	271,425	267,836	181,631	238,825	258,392	255,575
Culture and recreation	2,157,240	2,363,319	2,846,187	3,434,862	3,806,322	3,949,712	4,242,299	5,229,698	5,617,513	6,131,830
Operating grants and contributions	423,489	481,669	211,608	249,072	3,561,585	424,223	447,045	623,401	681,578	1,286,208
Capital grants and contributions	7,745,153	4,955,021	1,211,269	6,964,704	26,391,843	18,569,656	15,435,210	5,937,163	3,967,083	28,329,345
Total governmental activities	16,455,870	12,544,708	8,130,403	13,648,291	36,280,896	25,304,602	22,323,044	16,559,493	14,445,876	40,270,357
<b>Business-type activities</b>										
Changes for services										
Stormwater utilities	1,152,522	1,208,914	1,263,614	1,302,949	1,546,672	1,581,760	1,799,975	1,623,624	1,853,095	1,865,036
Capital grants and contributions	136,136	-	121,588	125,000	-	-	665,466	1,499,369	117,076	375,000
Total business-type activities net position	1,288,658	1,208,914	1,385,202	1,427,949	1,546,672	1,581,760	2,465,441	3,122,993	1,970,171	2,240,036
Total primary government program revenues	17,744,528	13,753,622	9,515,605	15,076,240	37,827,568	26,886,362	24,788,485	19,682,486	16,416,047	42,510,393

(continued)

TOWN OF PARKER, COLORADO

Table 2

Government-wide  
Changes in Net Position  
(Accrual basis of Accounting)  
Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>NET REVENUE (EXPENSE)</b>										
Governmental activities	(15,818,804)	(22,951,538)	(31,518,875)	(28,692,390)	(10,291,291)	(25,710,842)	(32,457,406)	(39,871,061)	(42,857,781)	(22,018,478)
Business-type activities	48,064	352,746	469,198	423,334	478,892	527,622	1,304,265	1,954,955	740,504	988,284
Total primary government	(15,770,740)	(22,598,792)	(31,049,677)	(28,269,056)	(9,812,399)	(25,183,220)	(31,153,141)	(37,916,106)	(42,117,277)	(21,030,194)
<b>GENERAL REVENUES</b>										
<b>Governmental activities</b>										
Taxes										
Sales and use	24,386,559	24,130,670	25,466,568	25,524,424	25,757,020	26,258,358	27,682,440	31,544,854	33,564,104	37,202,194
Sales and use shareback	2,563,726	2,549,483	2,577,449	2,472,724	2,436,556	2,414,311	1,956,670	2,264,021	2,363,634	2,571,241
Property	1,131,890	2,406,311	1,409,480	1,571,870	1,624,673	1,646,471	1,644,026	1,538,460	1,552,808	1,584,849
Road and bridge property shareback	866,137	1,298,030	1,089,080	1,233,646	1,290,567	1,327,822	1,315,059	1,205,315	1,223,658	1,231,030
Excise - new development	4,502,359	1,007,025	1,122,256	651,961	244,613	492,641	848,135	1,715,587	1,446,864	2,655,816
Franchise	672,370	631,432	765,639	868,968	810,410	810,749	792,431	768,219	841,671	905,961
Excise - electric	604,829	751,779	650,477	709,689	663,603	887,415	881,280	948,387	1,032,692	1,033,396
Highway users	758,391	926,219	943,220	939,430	1,035,572	1,198,340	1,240,219	1,271,073	1,291,998	1,330,821
Other	229,214	321,394	359,847	364,793	533,810	481,488	474,561	605,115	724,293	873,905
Unrestricted investment earnings	1,142,448	2,568,912	2,789,183	1,367,502	291,407	238,428	207,450	128,753	57,196	165,731
Gain on disposal of property	-	-	-	-	-	-	-	-	210,196	50,343
Transfers	-	-	-	-	-	-	-	-	68,164	51,421
Total governmental activities	36,857,923	36,591,255	37,173,199	35,705,007	34,688,231	35,706,023	37,042,271	41,989,784	44,377,278	49,656,708
<b>Business-type activities</b>										
Unrestricted investment earnings	37,771	61,628	49,250	28,282	7,850	5,314	7,182	5,233	3,004	11,657
Contributions	-	-	-	-	-	-	-	-	22,000	-
Gain on disposal of property	-	-	-	-	-	-	-	-	5,278	-
Transfers	-	-	-	-	-	-	-	-	(68,164)	(51,421)
Total business-type activities	37,771	61,628	49,250	28,282	7,850	5,314	7,182	5,233	(37,882)	(39,764)
<b>CHANGES IN NET POSITION</b>										
Governmental activities	21,039,119	13,639,717	5,654,324	7,012,617	24,396,940	9,995,181	5,477,684	2,118,723	1,519,497	27,638,230
Business-type activities	85,835	414,374	518,448	451,616	486,742	532,936	1,311,447	1,960,188	702,622	948,520
Total primary government	\$21,124,954	\$14,054,091	\$6,172,772	\$7,464,233	\$24,883,682	\$10,528,117	\$6,789,131	\$4,078,911	\$2,222,119	\$28,586,750

(concluded)

TOWN OF PARKER, COLORADO

Table 3

Governmental Funds

Fund Balances

(Modified Accrual Basis of Accounting)

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GENERAL FUND</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,063	\$ 151,265	\$ 261,426	\$ 318,111
Restricted	-	-	-	-	-	-	5,194,016	5,354,756	5,389,861	5,552,094
Assigned	-	-	-	-	-	-	3,805,900	3,916,400	3,558,911	8,786,164
Unassigned	-	-	-	-	-	-	13,677,803	14,554,422	12,496,031	10,685,656
Reserved	2,109,094	2,250,734	2,141,960	2,563,009	7,594,958	5,448,620	-	-	-	-
Unreserved	13,517,030	12,510,489	15,480,584	15,362,740	15,942,148	16,927,772	-	-	-	-
Total general fund	15,626,124	14,761,223	17,622,544	17,925,749	23,537,106	22,376,392	22,796,782	23,976,843	21,706,229	25,342,025
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	-	-	-	-	-	-	1,787	20,844	61,087	185,781
Restricted	-	-	-	-	-	-	9,056,847	10,889,852	18,145,409	27,808,739
Assigned	-	-	-	-	-	-	11,698,480	11,412,243	11,394,563	9,229,681
Unassigned	-	-	-	-	-	-	-	(124)	-	(280,669)
Reserved	6,225,556	7,670,717	6,183,820	6,429,786	5,140,674	5,193,239	-	-	-	-
Unreserved	23,565,022	34,932,436	26,708,923	10,845,823	45,934,115	23,465,168	-	-	-	-
Total all other governmental funds	29,790,578	42,603,153	32,892,743	17,275,609	51,074,789	28,658,407	20,757,114	22,322,815	29,601,059	36,943,532
Total governmental funds	\$45,416,702	\$57,364,376	\$50,515,287	\$35,201,358	\$74,611,895	\$51,034,799	\$43,553,896	\$46,299,658	\$51,307,288	\$62,285,557

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Taxes										
Sales and use	\$24,386,559	\$24,130,670	\$25,466,568	\$25,524,424	\$25,757,020	\$26,258,358	\$27,682,440	\$31,544,854	\$33,564,104	\$37,202,194
Excise - new development	4,502,359	2,406,311	1,122,256	651,961	244,613	492,641	848,135	1,715,587	1,446,864	2,655,816
Other	2,433,207	2,751,755	2,931,421	3,254,554	3,184,960	3,394,318	3,419,485	3,354,214	3,532,832	3,670,706
License and permits	2,752,072	1,903,784	1,246,427	896,596	1,093,295	799,627	925,714	2,141,881	1,537,271	1,833,383
Intergovernmental	6,068,600	5,533,950	5,345,903	5,422,751	8,915,641	6,063,146	5,500,864	6,722,266	7,546,399	8,257,226
Charges for services	4,975,422	4,817,785	4,950,866	5,007,415	4,689,265	5,040,283	5,989,259	7,348,930	7,893,156	8,432,728
Fines and forfeitures	244,400	268,878	220,449	217,749	265,454	267,467	324,724	264,020	255,476	265,028
Contributions	4,764,465	4,636,347	940,742	1,785,184	3,682,788	1,024,365	1,398,752	708,839	222,933	3,763,471
Net investment earnings	1,142,448	2,568,912	2,786,380	1,366,581	290,986	238,044	206,913	127,886	56,315	165,227
Miscellaneous	323,331	117,571	295,774	146,347	281,867	203,346	265,388	341,041	165,790	148,563
Total revenues	51,592,863	49,135,963	45,306,786	44,273,562	48,405,889	43,781,595	46,561,674	54,269,518	56,221,140	66,394,342
<b>EXPENDITURES</b>										
Current										
General government	5,448,864	5,676,234	6,129,522	6,791,643	7,492,409	6,468,708	6,572,669	7,811,959	7,516,436	6,959,820
Public safety	7,317,277	7,962,888	8,351,491	9,081,709	8,894,150	9,193,875	9,882,527	11,232,977	11,715,663	13,275,289
Highways and streets	5,241,279	4,981,105	5,619,406	5,024,821	6,158,863	7,436,524	7,371,099	5,233,772	6,605,289	10,022,553
Economic development	1,672,434	962,782	1,262,978	1,841,975	2,969,943	3,016,342	3,313,564	3,593,093	2,793,641	1,397,949
Culture and recreation	4,957,659	5,124,349	6,460,690	6,942,678	6,820,653	7,323,106	8,719,564	9,775,301	11,076,229	11,863,793
Building	-	-	-	-	-	-	-	-	-	137,972
Debt Service										
Principal	2,221,822	2,795,000	2,335,000	2,430,000	3,425,000	2,680,000	2,050,000	1,880,000	1,930,000	1,975,000
Interest	573,254	786,807	1,063,001	951,068	840,983	3,324,136	3,216,048	3,149,723	3,091,892	3,428,097
Fiscal charges	3,404	8,318	6,876	3,760	2,292	2,157	1,150	1,150	1,150	650
Debt issue costs	-	298,687	-	-	-	-	-	-	-	-
Capital outlay	13,862,170	25,617,119	20,926,911	26,519,837	16,908,159	28,616,852	13,808,775	9,739,601	6,938,392	26,612,624
Total expenditures	41,298,163	54,213,289	52,155,875	59,587,491	53,512,452	68,061,700	54,935,395	52,416,576	51,688,692	75,673,747

(continued)

TOWN OF PARKER, COLORADO

Table 4

Governmental Funds

Changes in Fund Balances

(Modified Accrual Basis of Accounting)

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess of revenues over (under) expenditures	10,294,700	(5,077,326)	(6,849,089)	(15,313,929)	(5,106,563)	(24,280,105)	(8,373,721)	1,852,942	4,532,448	(9,279,405)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	10,033,200	14,443,600	12,902,798	9,052,843	12,105,733	4,523,184	5,297,975	6,470,751	5,409,859	5,639,137
Transfers out	(10,033,200)	(14,443,600)	(12,902,798)	(9,052,843)	(12,105,733)	(4,523,184)	(5,297,975)	(6,470,751)	(5,409,859)	(5,587,716)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	410,664	-
Insurance recoveries	-	-	-	-	-	-	-	-	4,518	1,278
Bond issuance	-	17,025,000	-	-	44,341,016	-	-	-	-	20,204,976
Total other financing sources (uses)	-	17,025,000	-	-	44,341,016	-	-	-	415,182	20,257,675
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$10,294,700</b>	<b>\$11,947,674</b>	<b>\$ (6,849,089)</b>	<b>\$(15,313,929)</b>	<b>\$ 39,234,453</b>	<b>\$ (24,280,105)</b>	<b>\$ (8,373,721)</b>	<b>\$ 1,852,942</b>	<b>\$ 4,947,630</b>	<b>\$ 10,978,270</b>

Debt service as a percentage of noncapital expenditures

10.2%	12.6%	10.9%	10.2%	11.7%	15.2%	12.8%	11.8%	11.2%	11.0%
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(concluded)

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

<b>Revenue Source</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Taxes</b>										
Sales and use	\$24,386,559	\$24,130,670	\$25,466,568	\$25,524,424	\$25,757,020	\$26,258,358	\$27,682,440	\$31,544,854	\$33,564,104	\$37,202,194
Excise - new development	4,502,359	2,406,311	1,122,256	651,961	244,613	492,641	848,135	1,715,587	1,446,864	2,655,816
Property	1,018,922	1,298,030	1,409,480	1,571,870	1,624,673	1,646,471	1,644,026	1,538,460	1,552,808	1,584,849
Other	1,414,285	1,453,725	1,521,941	1,682,684	1,560,287	1,747,847	1,775,459	1,815,754	1,980,024	2,085,857
Licenses and permits	2,752,072	1,903,784	1,246,427	896,596	1,093,295	799,627	925,714	2,141,881	1,537,271	1,833,383
Intergovernmental	6,068,600	5,533,950	5,345,903	5,422,751	8,915,641	6,063,146	5,500,864	6,722,266	7,546,399	8,257,226
Charges for services	4,975,422	4,817,785	4,950,866	5,007,415	4,689,265	5,040,283	5,989,259	7,348,930	7,893,156	8,432,728
Fines and forfeitures	244,400	268,878	220,449	217,749	265,454	267,467	324,724	264,020	255,476	265,028
Contributions	4,764,465	4,636,347	940,742	1,785,184	3,682,788	1,024,365	1,398,752	708,839	222,933	3,763,471
Investment earnings	1,142,448	2,568,912	2,786,380	1,366,581	290,986	238,044	206,913	127,886	56,315	165,227
Miscellaneous	323,331	117,571	295,774	146,347	281,867	203,346	265,388	341,041	165,790	148,563
<b>Total revenues</b>	<b>\$51,592,863</b>	<b>\$49,135,963</b>	<b>\$45,306,786</b>	<b>\$44,273,562</b>	<b>\$48,405,889</b>	<b>\$43,781,595</b>	<b>\$47,454,493</b>	<b>\$54,269,518</b>	<b>\$56,221,140</b>	<b>\$66,394,342</b>

TOWN OF PARKER, COLORADO

Table 6

Direct and Overlapping Sales Tax Rates  
Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>DIRECT RATE</b>										
Town of Parker	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>OVERLAPPING RATES</b>										
Douglas County	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
State of Colorado	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Regional Transportation District (RTD)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Scientific and Cultural Facilities District (SCFD)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Football Stadium District	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Total sales tax rate	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.0%	8.0%	8.0%

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

<b>TYPE OF INDUSTRY</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Food and general merchandise	\$ 6,727,379	\$ 7,051,091	\$ 8,234,423	\$ 8,762,041	\$ 10,449,752	\$ 11,231,486	\$ 11,932,701	\$ 12,512,102	\$ 13,326,487	\$ 14,079,531
Autos/automotive	2,888,903	2,835,914	3,322,662	2,942,551	2,673,600	2,741,913	3,253,937	3,381,076	3,767,623	4,251,946
Restaurants	2,380,472	2,475,326	2,581,898	2,594,263	2,724,477	2,779,452	2,817,692	3,203,384	3,400,109	3,706,758
Home and garden	1,961,211	2,008,754	2,027,763	1,839,393	1,696,579	1,733,165	1,997,852	2,279,132	2,565,017	2,742,637
Specialty retail	-	-	-	-	-	-	2,879,283	3,788,793	4,085,299	4,311,707
Apparel and accessories	715,242	761,114	374,439	762,393	717,944	233,498	-	-	-	-
Furniture and décor	814,293	776,726	706,363	657,220	594,031	564,651	-	-	-	-
Miscellaneous retail	1,799,525	2,126,129	2,616,371	3,003,790	2,582,194	2,648,418	-	-	-	-
Utilities/telecommunications	1,801,503	1,742,290	1,859,631	1,962,665	1,812,909	1,992,578	2,002,397	2,084,132	2,192,448	2,343,891
Other	1,581,202	1,479,775	1,524,099	1,379,934	1,167,414	1,050,710	1,458,016	1,614,152	1,644,931	1,717,371
Total sales taxes	20,669,730	21,257,119	23,247,649	23,904,250	24,418,900	24,975,871	26,341,878	28,862,771	30,981,914	33,153,841
Building use taxes	3,716,828	2,873,546	2,218,919	1,620,174	1,338,120	1,282,487	1,340,562	2,682,083	2,582,190	4,048,353
Total sales and use taxes	\$ 24,386,558	\$ 24,130,665	\$ 25,466,568	\$ 25,524,424	\$ 25,757,020	\$ 26,258,358	\$ 27,682,440	\$ 31,544,854	\$ 33,564,104	\$ 37,202,194

**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 Eight Years**

<b>TYPE OF INDUSTRY</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Aggregate top ten filers	\$ 11,971,786	\$ 11,331,992	\$ 12,477,140	\$ 12,366,466	\$ 13,355,597	\$ 15,225,597	\$ 16,299,120	\$ 17,332,923
Aggregate all other filers	11,275,863	12,572,258	11,941,760	12,609,405	12,986,281	13,637,174	14,682,794	15,820,918
Total sales taxes	23,247,649	23,904,250	24,418,900	24,975,871	26,341,878	28,862,771	30,981,914	33,153,841
Top ten filers as a percentage of total sales tax	51.50%	47.41%	51.10%	49.51%	50.70%	52.75%	52.61%	52.28%

2014 Top ten filers in alphabetical order: Costco Wholesale #1022, Douglas County, Intermountain Rural Electric Association, King Soopers #75, King Soopers #88, Lowes HIW Inc, Safeway Store 45 Inc, 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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>GOVERNMENTAL ACTIVITIES</b>										
Sales and use tax revenue bonds	\$ 5,385,000	\$ 20,360,000	\$ 18,800,000	\$ 17,180,000	\$ 14,600,000	\$ 13,730,000	\$ 12,825,000	\$ 12,125,000	\$ 11,400,000	\$ 10,655,000
Certificates of participation	4,985,000	4,240,000	3,465,000	2,655,000	46,060,000	44,250,000	43,105,000	41,925,000	40,720,000	59,010,000
Total governmental activities	10,370,000	24,600,000	22,265,000	19,835,000	60,660,000	57,980,000	55,930,000	54,050,000	52,120,000	69,665,000
Total primary government	\$ 10,370,000	\$ 24,600,000	\$ 22,265,000	\$ 19,835,000	\$ 60,660,000	\$ 57,980,000	\$ 55,930,000	\$ 54,050,000	\$ 52,120,000	\$ 69,665,000
Debt per capita	\$ 244	\$ 556	\$ 492	\$ 438	\$ 1,340	\$ 1,280	\$ 1,222	\$ 1,152	\$ 1,090	\$ 1,428
Debt as percentage of personal income	0.59%	1.30%	1.11%	0.96%	2.85%	2.67%	2.35%	1.53%	1.38%	1.72%

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Pledged revenues</b>										
Sales taxes (1)	\$ 16,634,623	\$ 17,715,526	\$ 19,373,884	\$ 20,161,866	\$ 20,444,027	\$ 20,955,040	\$ 21,950,246	\$ 24,052,309	\$ 25,818,525	\$ 27,628,021
Use taxes (2)	3,716,828	2,397,451	1,848,729	1,108,449	1,020,162	926,956	1,117,877	2,234,997	2,209,197	3,459,942
Total available revenues	20,351,451	20,112,977	21,222,613	21,270,315	21,464,189	21,881,996	23,068,123	26,287,306	28,027,722	31,087,963
<b>Annual debt service</b>										
<i>Principal</i>										
1992 Sales and use tax bonds	-	-	-	-	-	-	-	-	-	-
1993 Sales and use tax bonds (3)	180,000	1,303,000	-	-	-	-	-	-	-	-
1998 Sales and use tax bonds	710,000	745,000	780,000	815,000	1,740,000	-	-	-	-	-
2006 Sales and use tax bonds	-	-	780,000	805,000	840,000	870,000	905,000	700,000	725,000	745,000
<i>Interest</i>										
1992 Sales and use tax bonds	-	-	-	-	-	-	-	-	-	-
1993 Sales and use tax bonds	78,906	42,915	-	-	-	-	-	-	-	-
1998 Sales and use tax bonds	222,720	190,770	156,873	120,993	83,095	-	-	-	-	-
2006 Sales and use tax bonds	-	358,656	727,275	683,750	646,825	612,625	577,125	544,150	513,869	616,166
Total debt service	1,191,626	2,642,341	2,444,148	2,424,743	3,309,920	1,482,625	1,482,125	1,244,150	1,238,869	1,361,166
Excess revenue coverage	\$ 19,159,825	\$ 17,470,636	\$ 18,778,465	\$ 18,845,572	\$ 18,154,269	\$ 20,399,371	\$ 21,585,998	\$ 25,043,156	\$ 26,788,853	\$ 29,726,797
Annual debt service coverage	17.08	7.61	8.68	8.77	6.48	14.76	15.56	21.13	22.62	22.84
<b>Maximum annual debt service</b>										
1992 Sales and use tax bonds	-	-	-	-	-	-	-	-	-	-
1993 Sales and use tax bonds	263,437	-	-	-	-	-	-	-	-	-
1998 Sales and use tax bonds	936,873	936,873	935,993	933,095	-	-	-	-	-	-
2006 Sales and use tax bonds	-	1,507,275	1,488,750	1,486,825	1,482,625	1,482,125	1,244,150	1,238,869	1,226,700	1,224,438
Combined maximum annual debt service	\$ 1,200,310	\$ 2,444,148	\$ 2,424,743	\$ 2,419,920	\$ 1,482,625	\$ 1,482,125	\$ 1,244,150	\$ 1,238,869	\$ 1,226,700	\$ 1,224,438
Maximum debt service coverage	16.96	8.23	8.75	8.79	14.48	14.76	18.54	21.22	22.85	25.39

(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) 1993 Sales and use tax bonds were defeased with proceeds from the 2006 issue.

**TOWN OF PARKER, COLORADO**

**Table 11**

**Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds**

<b>GOVERNMENTAL ENTITY</b>	<b>Total Gross Bonded Debt Outstanding</b>	<b>Percentage Applicable to Town (a)</b>	<b>Amount Applicable to Town</b>
Direct debt:			
Town of Parker	\$ 69,665,000	100.00%	\$ 69,665,000
Total direct debt	69,665,000		69,665,000
Overlapping debt:			
Douglas County School District	390,608,248	3.00%	11,718,247
Antelope Heights Metro District	9,370,000	100.00%	9,370,000
Canterberry Crossing Metro District	10,515,000	100.00%	10,515,000
Canterberry Crossing II Metro District	12,000,000	100.00%	12,000,000
Cherry Creek South #1 Metro District	3,930,000	100.00%	3,930,000
Cherry Creek South #2 Metro District	1,850,000	100.00%	1,850,000
Compark Business Park Metro District	51,110,000	58.00%	29,643,800
Horsecreek Metro District	4,465,000	100.00%	4,465,000
Horseshoe Ridge Metro District	3,850,000	100.00%	3,850,000
Jordan Crossing Metro District	1,330,000	100.00%	1,330,000
Lincoln Park Metro District	31,485,000	14.00%	4,407,900
Neutowne Metro District	5,275,000	100.00%	5,275,000
Olde Town Metro District	905,000	100.00%	905,000
Parker Automotive Metro District	14,355,000	100.00%	14,355,000
Parker Homestead Metro District	1,650,385	100.00%	1,650,385
Pine Bluffs Metro District	4,510,000	100.00%	4,510,000
Reata North Metro District	9,765,000	100.00%	9,765,000
Regency Metro District	2,983,000	100.00%	2,983,000
Robinson Ranch Metropolitan District	695,000	100.00%	695,000
Cottonwood Water and Sanitation District	18,610,275	90.00%	16,749,248
Parker Water and Sanitation District	90,110,000	38.00%	34,241,800
Stonegate Village Metro District	37,645,000	6.00%	2,258,700
Total overlapping debt	707,016,908		186,468,080
Grand total direct and overlapping debt	\$ 776,681,908		\$ 256,133,080

(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**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>General Government</b>										
Town Clerk	3.0	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	3.0
Municipal Court	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.6
Town Administration	3.8	4.0	4.0	4.0	5.0	5.0	4.0	3.0	3.0	3.0
Finance	12.0	13.0	13.0	13.0	14.0	14.0	11.0	11.0	11.0	11.0
Legal Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Human Resources	3.5	3.8	2.8	4.0	4.0	4.0	4.0	5.0	5.0	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	25.3	26.3	26.8	27.6	25.8	25.8	21.0	21.0	22.0	22.5
Information Technology	7.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0	10.0
Community Affairs	2.0	2.8	4.0	4.0	3.0	3.5	3.5	3.5	3.5	3.5
Customer Service	4.6	4.6	5.6	5.6	5.6	5.6	2.6	2.6	2.6	2.6
Economic Development	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	3.0	4.0
<b>Public Safety</b>	<b>80.8</b>	<b>86.0</b>	<b>88.0</b>	<b>91.2</b>	<b>92.2</b>	<b>92.2</b>	<b>92.5</b>	<b>93.3</b>	<b>96.3</b>	<b>101.3</b>
<b>Public Works</b>	<b>38.0</b>	<b>42.5</b>	<b>46.8</b>	<b>50.8</b>	<b>51.8</b>	<b>53.3</b>	<b>49.5</b>	<b>49.5</b>	<b>50.3</b>	<b>50.1</b>
<b>Parks, Recreation and Culture</b>	<b>36.5</b>	<b>38.0</b>	<b>41.2</b>	<b>44.2</b>	<b>44.2</b>	<b>46.2</b>	<b>48.2</b>	<b>48.4</b>	<b>54.4</b>	<b>57.2</b>
	<u>222.3</u>	<u>237.8</u>	<u>249.0</u>	<u>261.2</u>	<u>264.4</u>	<u>268.4</u>	<u>254.6</u>	<u>255.6</u>	<u>268.4</u>	<u>279.8</u>

Source: Town of Parker Finance department

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

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>General government</b>										
Town hall	1	1	1	1	1	1	1	1	1	1
Other office buildings	1	1	1	1	1	1	1	1	1	1
<b>Public safety</b>										
Police station	1	1	1	1	1	1	1	1	1	1
<b>Public works</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
Miles of roadway	134	137	143	145	159	171	177	178	180	182
<b>Parks, culture and recreation</b>										
Mainstreet Center	1	1	1	1	1	1	1	1	1	1
PACE Center	-	-	-	-	-	-	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
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Parks										
Regional	2	2	2	2	2	2	1	1	1	1
Local	9	9	10	11	11	11	11	11	12	13

Source: Town of Parker

**TOWN OF PARKER, COLORADO**  
**Table 14**  
**Operating Indicators by Function**  
**Last Eight Years**

	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>								
<i>Building Permits:</i>								
Single-family residential units	232	142	43	112	183	381	332	347
Valuation	\$ 67,334,924	\$ 45,050,250	\$ 16,005,637	\$ 32,509,630	\$ 55,076,498	\$ 119,581,591	\$ 117,231,450	\$ 119,630,934
Multi-family residential units	3	-	-	7	7	38	-	9
Valuation	\$ 618,078	\$ -	\$ -	\$ 1,295,564	\$ 1,338,620	\$ 7,420,142	\$ -	\$ 34,373,298
Total commercial new, remodel and other	582	615	631	466	416	515	628	637
Valuation	\$ 75,476,426	\$ 45,345,961	\$ 41,666,769	\$ 36,123,583	\$ 25,251,892	\$ 19,139,318	\$ 27,232,684	\$ 88,644,852
<i>Tax and Licensing:</i>								
Business licenses issued	175	227	513	458	333	749	631	487
<i>Community Development:</i>								
Code enforcement inspections	1,700	1,721	2,200	2,059	2,221	2,589	2,047	2,036

(continued)

TOWN OF PARKER, COLORADO

Table 14  
Operating Indicators by Function  
Last Eight Years

	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Safety</b>								
<i>Police:</i>								
Calls for service *	53,569	55,721	65,821	63,995	58,009	60,084	65,122	65,987
Total charges *	6,003	5,516	4,841	4,379	4,431	5,325	5,218	5,696
<i>Building Inspection:</i>								
Total building inspections	21,408	17,694	18,122	14,490	16,061	34,622	27,238	25,170
<b>Highways and Streets</b>								
<i>Streets:</i>								
New roadway additions (miles)	6	2	14	12	6	1	2	2
<b>Parks and Recreation</b>								
<i>Recreation:</i>								
Adult sports leagues	8	8	8	7	8	8	8	8
Youth sports leagues	9	9	14	15	17	17	23	24
Adult league attendance	4,079	5,440	6,195	5,874	5,556	6,584	6,036	5,183
Youth league attendance	8,572	8,319	8,754	8,813	8,438	9,360	10,576	11,083

\* 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. Information prior to 2007 not available.

(concluded)

TOWN OF PARKER, COLORADO

Table 15

Demographic and Economic Information  
Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Area in square miles	19.70	19.70	19.70	20.20	20.50	20.50	20.80	21.20	21.20	21.28
Housing units	15,027	15,826	16,184	16,451	16,508	16,620	16,731	17,133	17,451	17,798
Population	42,562	44,211	45,211	45,244	45,259	45,297	45,758	46,919	47,823	48,789
Average persons per household	2.92	2.88	2.88	2.85	2.85	2.85	2.84	2.84	2.84	2.84
Median age	34.50	34.50	34.50	34.50	35.40	36.60	36.10	35.80	34.40	34.70
High school graduates - persons age 25+	97.0%	97.0%	97.0%	96.0%	97.0%	97.0%	97.1%	97.2%	97.5%	97.4%
Bachelor's degree or higher - persons age 25+	51.9%	51.9%	51.9%	56.0%	45.3%	45.3%	46.9%	47.5%	48.5%	50.2%
Unemployment rate	3.0%	2.5%	2.3%	3.0%	5.0%	5.2%	7.5%	6.8%	6.1%	3.8%
Per capita income	\$ 48,416	\$ 53,329	\$ 58,305	\$ 62,633	\$ 62,500	\$ 65,874	\$ 71,463	\$ 75,317	\$ 79,127	\$ 82,938
Total personal income (in thousands)	\$ 2,060,682	\$ 2,357,728	\$ 2,636,027	\$ 2,833,767	\$ 2,828,688	\$ 2,983,895	\$ 3,270,004	\$ 3,533,798	\$ 3,784,091	\$ 4,046,462

Source: Town of Parker, Douglas County, Nielsen Claritas Site Reports, Bureau of Economic Analysis. Information prior to 2003 not available. 2013 PCI data not available. Used trend analysis to estimate value