



PARKER
C O L O R A D O

Comprehensive Annual Financial Report

For the year ended December 31, 2015





PARKER
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**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

***Town of Parker, Colorado
For the Year Ended December 31, 2015***

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

Glenn Murray, Accountant
Member of the Governmental Finance Officers Association





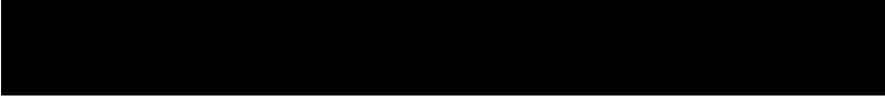
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INTRODUCTORY SECTION



PARKER
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June 13, 2016

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

We are pleased to submit for your information and review, the Comprehensive Annual Financial Report (CAFR) of the Town of Parker, Colorado (the Town) for the year ended December 31, 2015. 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, 2015. 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 50,700. Prior to 2008, population growth average over 3 percent. Beginning with the downturn in the national economy and through the recession, population growth slowed to less than 1 percent annually. However, with the rebound in the economy and renewed growth in construction, population growth averaged over two percent annually from 2011 to 2015. The Town continues to rank high in the state and metro area in education level with 97.7 percent of residents (aged 25 or older) with a high school diploma and 50.2 percent with a bachelor degree

or higher. Median household income also ranks above average at \$96,376. 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.

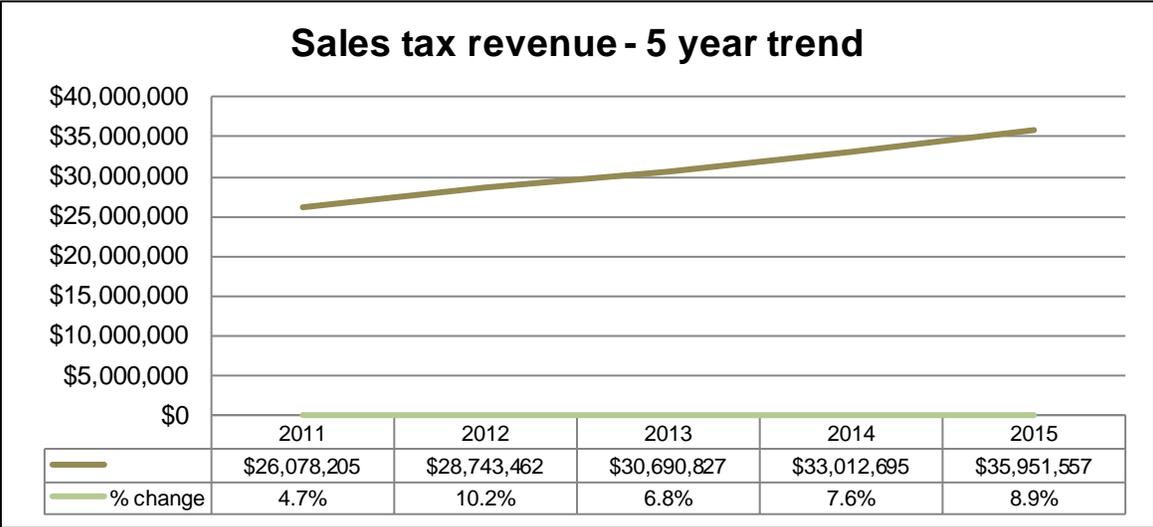
ECONOMIC CONDITIONS

The Town concluded the year in excellent financial condition, as indicated in this December 31, 2015 financial report.

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

Local retail sales growth, as evidenced by sales tax receipts, remained positive during the downturn. Sales tax, the Town’s largest revenue source increased 8.9 percent in 2015 compared to 2014, which in turn was 7.6 percent greater than 2013. 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 2011 through 2015.

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 2015, use tax revenue was down 5 percent and excise tax revenue increased by 16 percent over the prior year, due to related valuation of total building permits. However, to put the 2014/2015 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 2015 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

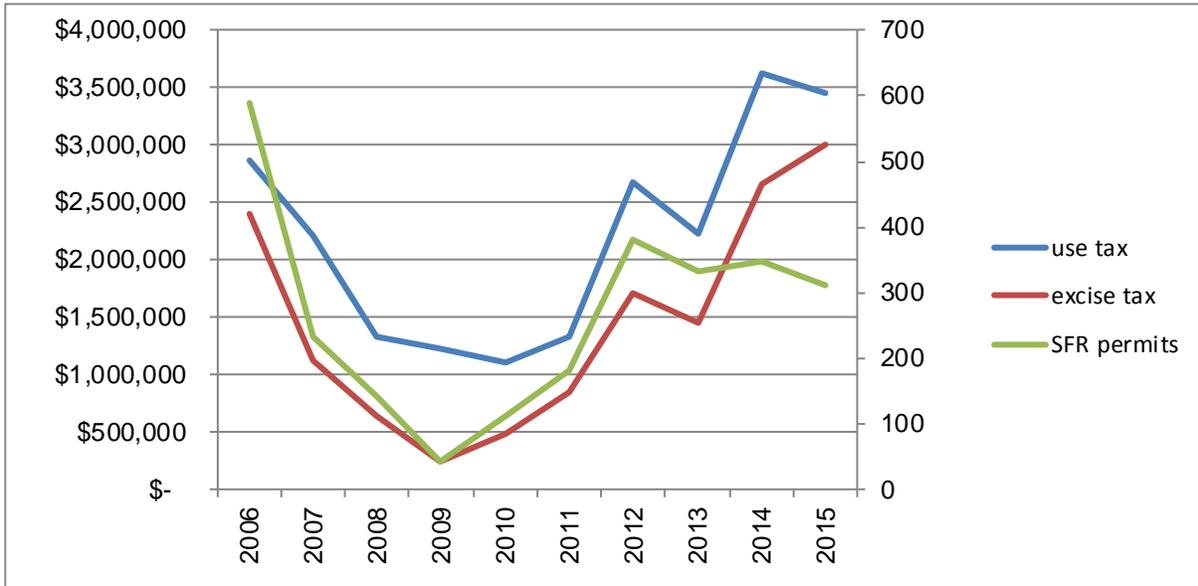
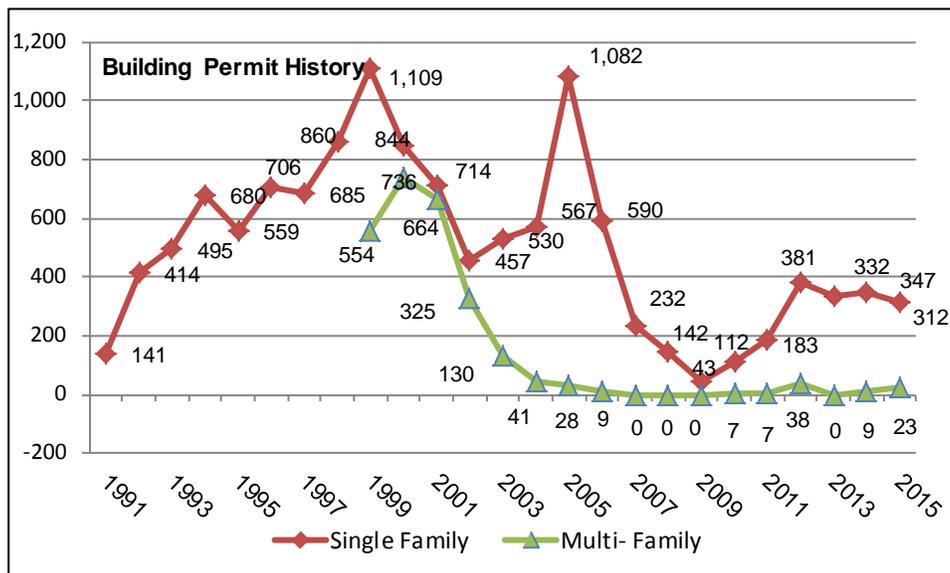


Chart 3. Building permits issued



As the economy improved, Parker saw the unemployment rate drop steadily from a high of 7.6 percent in February 2011 to 3.3 percent at the end of 2015 and is now in line with the annual average of 3.29 percent from 2003 to 2010. This is a significant improvement from the 6.1 percent two years ago. The Town's rate has been significantly less the past two years compared to the preceding five years and the Town has continued to fare better than the State, which had a 3.5 percent unemployment rate at the end of 2015. The national unemployment rate was 5.0 percent.

As in the previous five years, the Town developed the 2016 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 2016.

Given our conservative revenue projections, we continue to build the budget on more of a zero-based approach than an incremental approach, with any incremental increases tied to inflation projections. We have returned to proper levels of infrastructure maintenance and replacement of aging equipment, both of which had been deferred from 2009 to 2011. Even though there was a right-sizing initiative that was done in early 2011 for budgetary reasons, the Town continued its efforts to keep our compensation plan based on the market in order to retain our dedicated and talented staff. In addition, the 2016 budget included several new positions to deal with the growth that the Town is experiencing.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

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



Support and Active Community

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

Strategies:

- We strive to provide a variety of opportunities and experiences for all of our users based on their range of abilities, physical and economic resources, specialized needs and geographic access.
- Provide superior programs, facilities and natural amenities for our community. This will be accomplished through innovative programs, facility and public space designs, ensuring a safe and secure environment and providing an atmosphere that consistently promotes health, fitness, enrichment and inclusion.
- Build and enhance parks, biking/walking trails and outdoor recreational areas
- Support our active community by designing and implementing strategic marketing initiatives to increase awareness and patronage of Parks and Recreation facilities and programs.
- Continue to support and enhance public safety and encouragement for use of the public trail systems by providing bicycle officer patrol on trails and in neighborhoods.
- Utilize our cultural facilities to present and promote recreational activities for children and adults.

- Effectively manage building development and expansion projects to support the needs of a growing, active community.
- Constructs new trails, sidewalks and bike lane to promote community activity and accessibility, and develop downtown Parker as a pedestrian-friendly destination for all ages.
- Maintains active and visually appealing parks and open spaces for public use



Foster Community Creativity and Engagement

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

Strategies:

- Promote community engagement by providing and publicizing opportunities for community involvement, participation and feedback
- Provide ongoing educational opportunities to Town businesses to enhance understanding of Town ordinances through the use of technology and face-to-face interaction
- Continue our strong efforts building community partnerships through community policing and problem solving;
- Provide innovative, engaging and relevant arts, culture, science and entertainment experiences.
- Provide opportunities for local artists and arts group to exhibit and perform.
- Provide welcoming and delightful community gathering places.
- Foster volunteer experiences that build community and create a sense of belonging
- Provide lifelong learning opportunities in the arts and sciences for youth and adults, including cultural enrichment opportunities for students in our public facilities and schools.
- Provide cultural enrichment opportunities for K-12 students in the Town's cultural facilities and in local schools.
- Develop relationships with community members through special functions, programs, education and interactive public relations messaging, Evaluate and grow our volunteer and services to expand opportunities for members of the public to dynamically engage with our departments
- We plan to meet the needs of our market in a manner that focuses on our customers and users. Through education, communication and community input, we strive for transparency, honesty and responsiveness.
- Support community events, facilities and venues through staff involvement, provision of equipment and traffic/parking control
- Supports the visual, performing, graphic and literary arts, and advances cultural enrichment
- Ensures access to quality education, technical training, information resources and lifelong learning opportunities for all ages

- Promotes a variety of community events, entertainment venues and dining opportunities that connect the community and provide for a positive environment



Enhance Economic Vitality

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

Strategies:

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



Promote a Safe and Healthy Community

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

Strategies:

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



Innovate with Collaborative Governance

Parker will support transparency, accountability, and fiscal sustainability by using innovative techniques to optimize performance. We engage in regional relationships and governing

partnerships, including our education, fire, and water agencies. Parker supports a high quality, dedicated workforce to support these goals.

Strategies:

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



Develop a Visionary Community Through Balanced Growth

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

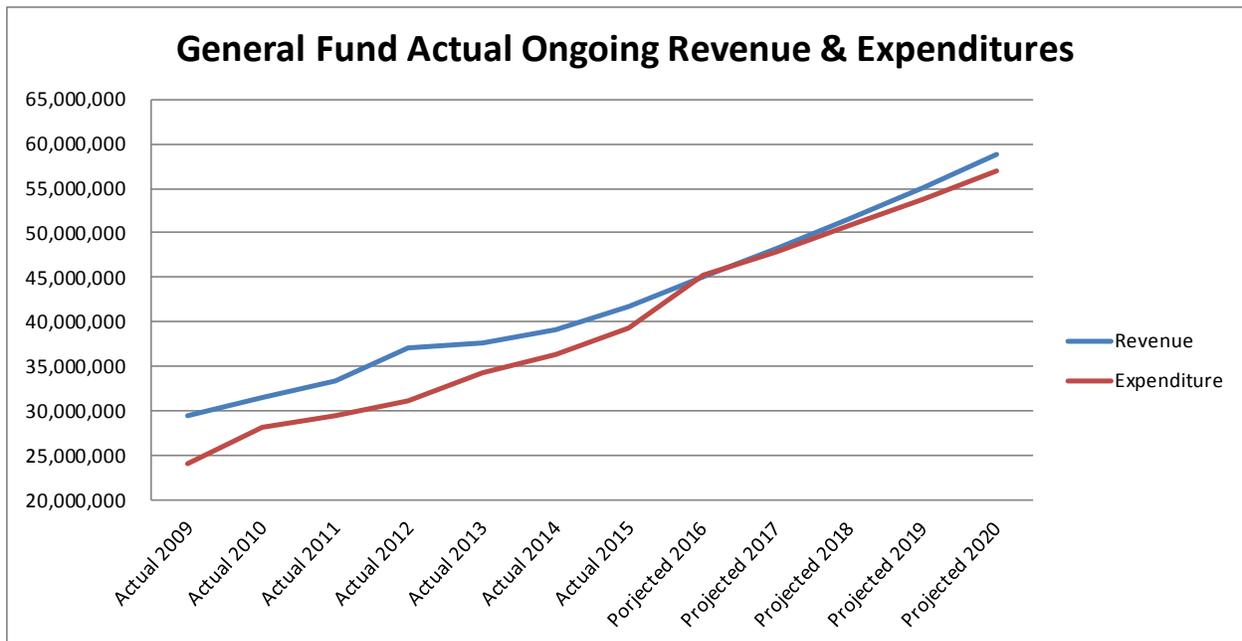
Strategies:

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

RELEVANT FINANCIAL POLICIES

It is the Town's policy to maintain at least two months of operating expenditures (16.7 percent of the annual budgeted expenditures) in the fund balance of the General Fund. As of December 31, 2015, the actual fund balance of \$23.1 million was 58 percent of the General Fund actual expenditures. This is a very healthy fund balance and it is the intention to utilize the excess strategically to take advantage of opportunities as they arise. The Town does not monitor

revenues and expenditures in the aggregate, but rather breaks out one-time revenues and expenditures from ongoing revenues and expenditures. This allows the Town the ability to ensure that ongoing expenditures are not exceeding ongoing revenues in both the near and long term. The expiration of economic incentive agreements, strong management of expenditures and economic improvement resulting in improving revenues; however, should continue to keep the Town in a positive position. In the event that expenditures begin to “catch-up” to revenues, the Town will take necessary actions to address the situation.



CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2014. This was the 26th 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, 2014

Executive Director/CEO

2015 TOWN OFFICIALS

Mayor



Mike Waid

Councilmembers



John Diak



Amy Holland



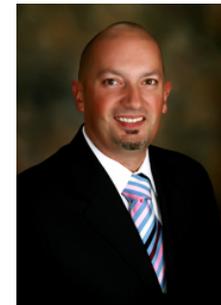
Renee Williams



Debbie Lewis



Josh Martin



Joshua Rivero

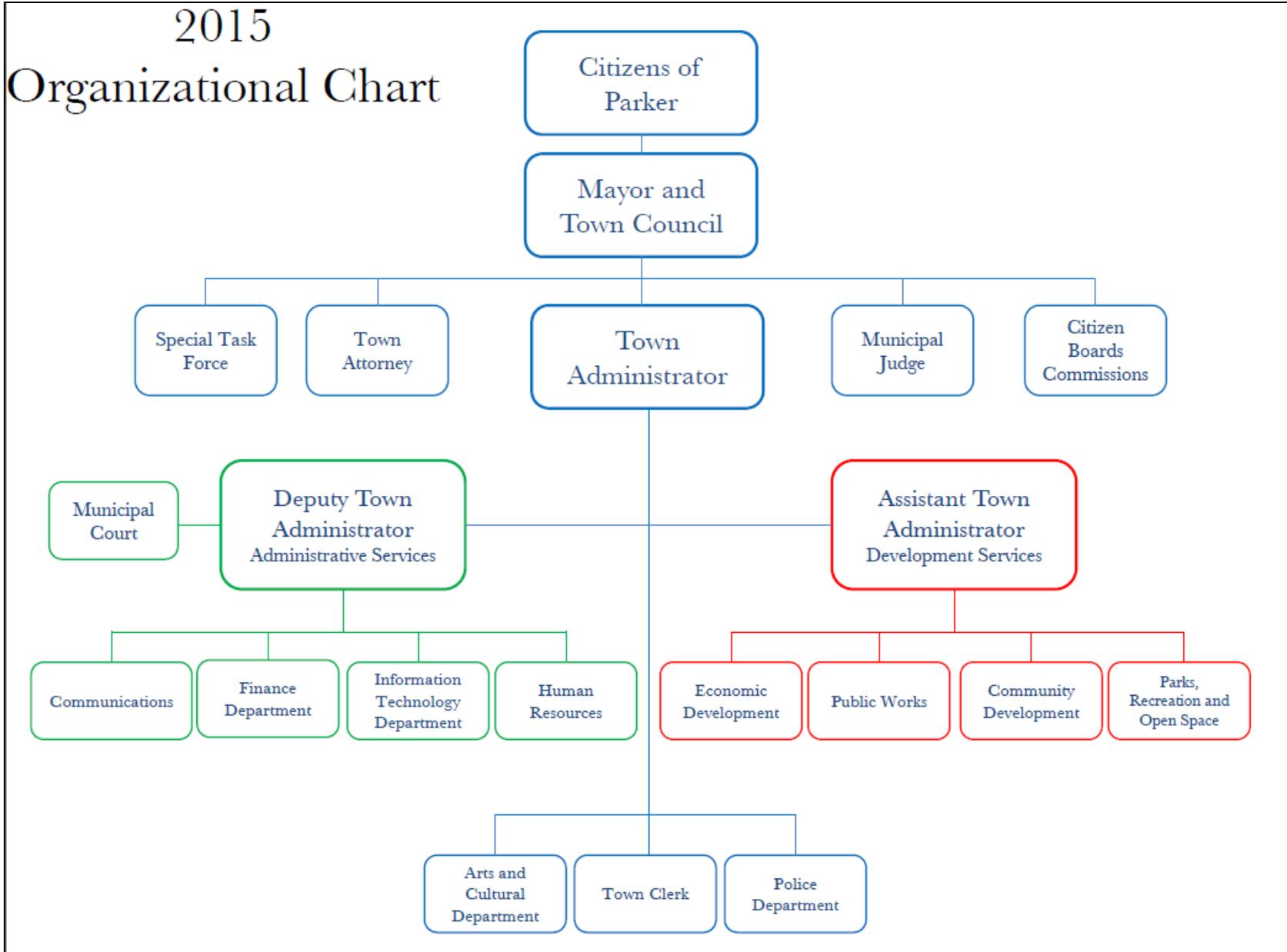
Appointed Officials

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

Department Directors

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

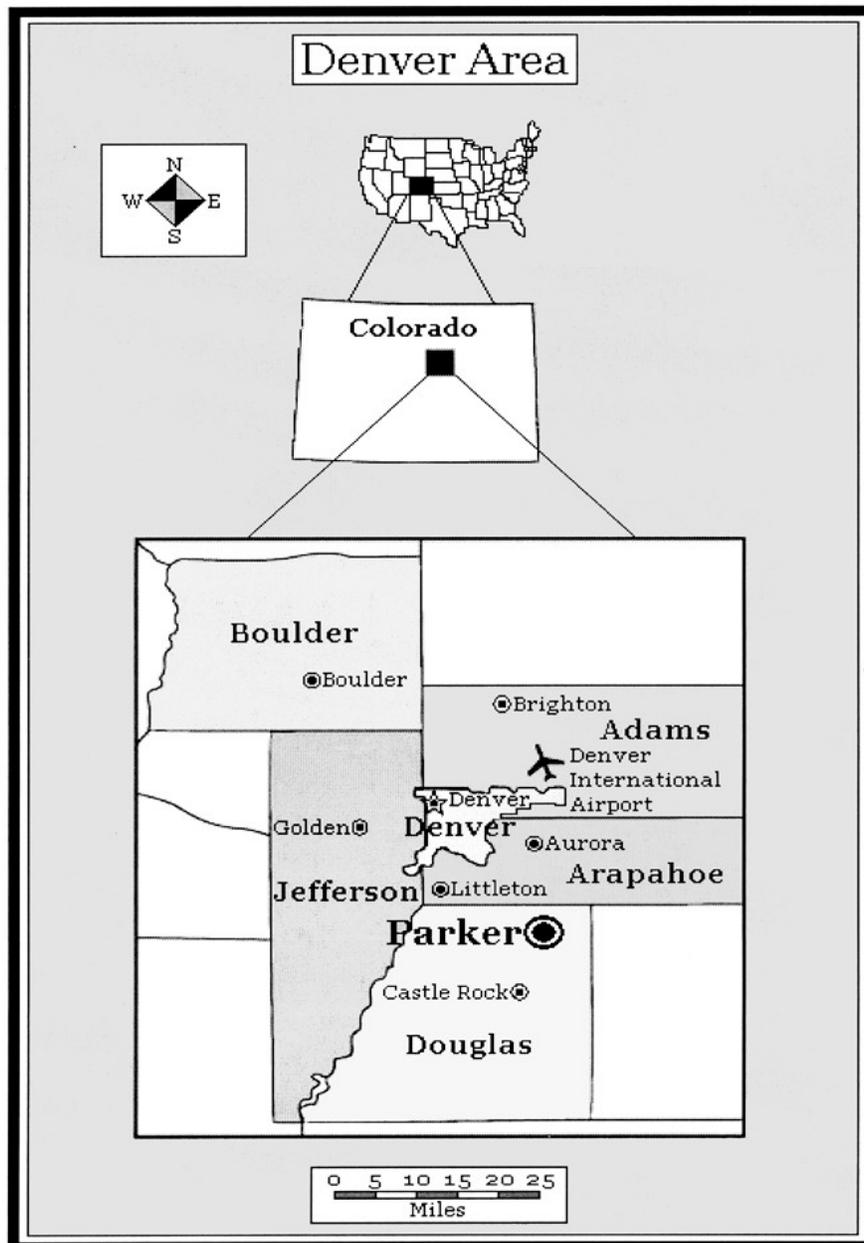
2015 Organizational Chart

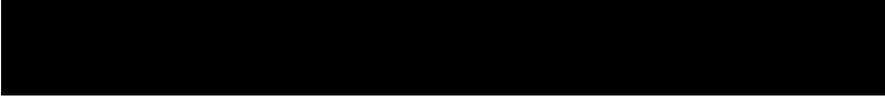


TOWN OF PARKER

Douglas County, Colorado Location Map

Prepared by:
Town of Parker
Geographic Information System





FINANCIAL SECTION



PARKER
C O L O R A D O

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, 2015, 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, 2015, 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 PACE Fund, the Schoolhouse Fund, Recreation Fund, and Parker Authority for Reinvestment for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Accounting Principle

As discussed in Note 6(C), to the financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*, for the year ended December 31, 2015, which represents a change in accounting principle. As of January 1, 2015, the Town’s net position was restated to reflect the impact of adoption. A summary of the restatement is presented in Note 6(C).

Other Matters

Required Supplementary Information

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

Other Information

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

Town Council
Town of Parker, Colorado

The combining and individual fund financial statements and schedules, budgetary schedules, and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, budgetary schedules, and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



CliftonLarsonAllen LLP

Greenwood Village, Colorado

June 13, 2016



PARKER
C O L O R A D O

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, 2015. 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 22.

FINANCIAL HIGHLIGHTS

- Effective January 1, 2015, the Town is required to apply the Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions (GASB 68). This new GASB pronouncement is discussed in more detail under new applicable GASB standards on page 68.
- GASB 68 revises and establishes new financial reporting requirements for governments that provide their employees with pension benefits. The Town provides its sworn police employees with pension benefits through a multiple employer cost sharing defined benefit retirement program administered by the Fire and Police Pension Association (FPPA).
- Among other requirements, the Town is now required to report its proportionate share of the total FPPA net pension asset (NPA) in its government-wide financial statements. The Town's share of the FPPA NPA is \$1.21 million as of December 31, 2015. Inclusion of this figure in the government-wide financial statements does not indicate that the Town has an asset available for use.
- Fund level statements, including the General Fund statements, are not impacted by GASB 68 reporting.
- At the end of 2015, the value of the Town's total net position was \$613.9 million. Of this net position amount, \$31.7 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 \$23.0 million in 2015. This increase came primarily from the increase in sales and uses tax, excise tax and developer contributions.
- Sales and use tax in the General Fund increased from \$27.6 million to \$30.2 million or 9 percent. Sales tax is the Town's largest revenue source and is 70 percent of the total General Fund revenue.
- The Town issued \$9.8 million in a Sales and Use Tax Revenue Refunding Note for the refunding of the 2006 Sales and Use Tax Revenue Bonds.
- The Town reduced its total outstanding debt by \$2,765,000 in 2015 leaving a balance of \$66,900,000 at year end, down from \$69,665,000 outstanding at the end of 2014. Outstanding debt at the end of 2015 consists of \$9,880,000 in a refunding note (issued to refund the 2006 sales and use tax revenue bonds), \$38,225,000 in certificates of

participation (issued to construct the Police Station and PACE Center) and \$18,795,000 in certificates of participation (issued to construct the Public Works Facility and expansion of the Recreation Center).

- At the end of 2015, the Town's governmental funds reported combined fund balances of \$59.3 million, a decrease of \$3 million from the prior year. This combined decrease in fund balance is the result of expenditures for major capital projects; the Plaza on Main, Public Works Operation Center and the Parker Recreation Center expansion.
- At the end of 2015, the unassigned fund balance of the General Fund was \$7.8 million, which is 20 percent of total General Fund expenditures. The Town's fund balance policy amount is 16.7 percent.
- Major capital asset events that occurred in 2015 include \$5.28 million to complete the new public works facility, \$7.85 million to complete the Parker Recreation Center expansion, \$1.9 million for ongoing construction of the new Plaza on Main, \$1.4 million for the construction of Todd Drive, \$686,500 for powerline undergrounding, \$422,000 for construction of the Parker Road and Woodman Road turn lane, \$178,900 for design work for the widening of Chamber Road.

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 22 and 23 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 15 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, The Schoolhouse, Recreation, and Parker Authority for Reinvestment special revenue funds and the Public Improvements capital improvement fund, all of which are considered to be major funds. Data from the 8 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 24-37 of this report.

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

Proprietary funds. The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions as presented in the business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the stormwater utility function. Internal service funds are an accounting device used to accumulate and allocate

costs internally among the Town's various functions. The Town uses internal service funds to account for fleet services, technology management, facility services and health benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 38-40 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 41 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 43-68 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplemental information concerning the net pension liability (asset) and related contributions. These schedules can be found on pages 71-72 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 76-100 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the Town's financial position. The two tables below reflect the Town's net position and the changes in net position. Table 1 - Net Position illustrates the Town's total assets, deferred outflow of resources, liabilities, and deferred inflows of resources and resulting net position (assets minus liabilities and deferred inflows of resources) at the end of 2015 with a comparison to 2014. As of December 31, 2015, the Town had total assets of \$692 million compared to \$672.9 million in 2014 and at the end of 2015, the value of the Town's total net position was \$613.9 million greater than the Town's total liabilities and deferred inflows of resources (net position).

Table 1. Net Position
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 70,321	\$ 74,554	\$ 3,098	\$ 2,577	\$ 73,419	\$ 77,131
Capital assets	609,427	587,212	9,180	8,555	618,607	595,767
Total assets	679,748	661,766	12,278	11,132	692,026	672,898
Total deferred outflows of resources	495	-	-	-	495	-
Long-term liabilities outstanding	69,672	72,434	57	58	69,729	72,492
Other liabilities	6,853	10,131	150	125	7,003	10,256
Total liabilities	76,525	82,565	207	183	76,732	82,748
Total deferred inflows of resources	1,866	1,560	-	-	1,866	1,560
Net position:						
Net investment in capital assets	541,402	520,379	9,180	8,555	550,582	528,934
Restricted	30,505	29,319	447	306	30,952	29,625
Unrestricted	29,945	27,943	2,444	2,088	32,389	30,031
Total net position	\$ 601,852	\$ 577,641	\$ 12,071	\$ 10,949	\$ 613,923	\$ 588,590

By far, the largest portion of the Town's assets is capital assets, which total \$618.6 million or 89 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 33.

The Town's outstanding long-term debt, which consists of 2009 certificates of participation issued to construct the police station and PACE Center, 2014 certificates of participation issued to construct the public works facility and recreation center expansion and 2015 sales and use tax revenue refunding note issued to refund the 2006 sales and use tax revenue bonds, was reduced by \$2,765,000. Additionally, of the Town's \$613.9 million in net position, \$31.6 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 \$31.7 million or 5 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	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 10,858	\$ 10,655	\$ 1,987	\$ 1,865	\$ 12,846	\$ 12,520
Operating grants and contributions	1,316	1,286	-	-	1,316	1,286
Capital grants and contributions	25,002	28,329	395	375	25,397	28,704
General revenues						
Taxes						
Sales and use	39,470	37,202	-	-	39,470	37,202
Property	1,591	1,585	-	-	1,591	1,585
Franchise	921	906	-	-	921	906
Excise – electric	1,076	1,033	-	-	1,076	1,033
Excise taxes – new development	2,065	2,656	-	-	2,065	2,656
Sales and use - county shareback	2,766	2,571	-	-	2,766	2,571
Road and bridge - county shareback	1,239	1,231	-	-	1,239	1,231
Highway users	1,385	1,331	-	-	1,385	1,331
Other General Revenues	1,108	976	236	(51)	1,345	925
Unrestricted investment earnings	186	166	10	12	196	178
Total revenues	88,983	89,927	2,628	2,200	91,611	92,127
Expenses						
General government	7,808	6,810	-	-	7,808	6,810
Public safety	14,828	14,712	-	-	14,828	14,712
Highways and streets	23,469	21,699	-	-	23,469	21,699
Economic development	1,759	1,398	-	-	1,759	1,398
Culture and recreation	15,671	14,163	-	-	15,671	14,163
Interest on long-term debt	3,562	3,508	-	-	3,562	3,508
Stormwater	-	-	1,506	1,252	1,506	1,252
Total expenses	67,098	62,289	1,506	1,252	68,604	63,541
Increase in net position	21,885	27,638	1,122	948	23,006	28,586
Net position – beginning	577,641	550,003	10,949	10,001	588,590	560,004
Prior Period Adjustment (Note 6)	2,327	-	-	-	2,327	-
Net Position as Restated	579,967	545,412	-	-	579,967	545,412
Net position – ending	\$ 601,852	\$ 577,641	\$ 12,071	\$ 10,949	\$ 613,923	\$ 588,590

Governmental Activities

Table 2 - Changes in Net Position (above), illustrates total Town revenues and expenses in 2015 compared to 2014 for Governmental Activities and Business-type Activities. Total governmental activities revenues decreased approximately \$1.0 million from \$89.9 million in 2014 to \$88.9 million in 2015. Even though most revenue categories increased in 2015, the decrease was the net result of increases in other revenues and the decrease in capital contributions of \$3.3 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 \$25.0 million in capital contributions revenue, the remaining revenues increased a combined \$2.38 million which includes an increase of \$2.2 million in Town sales and use taxes.

Total governmental activities expenses increased \$4.8 million from \$62.2 million in 2014 to \$67.0 million in 2015. Most of the increase is related to cultural and recreation for the recreation center expansion and highways and streets due to an increase in repairs and maintenance for streets and bridges.

Chart 4. 2015 Expenses and Program Revenues - Governmental Activities (in thousands)

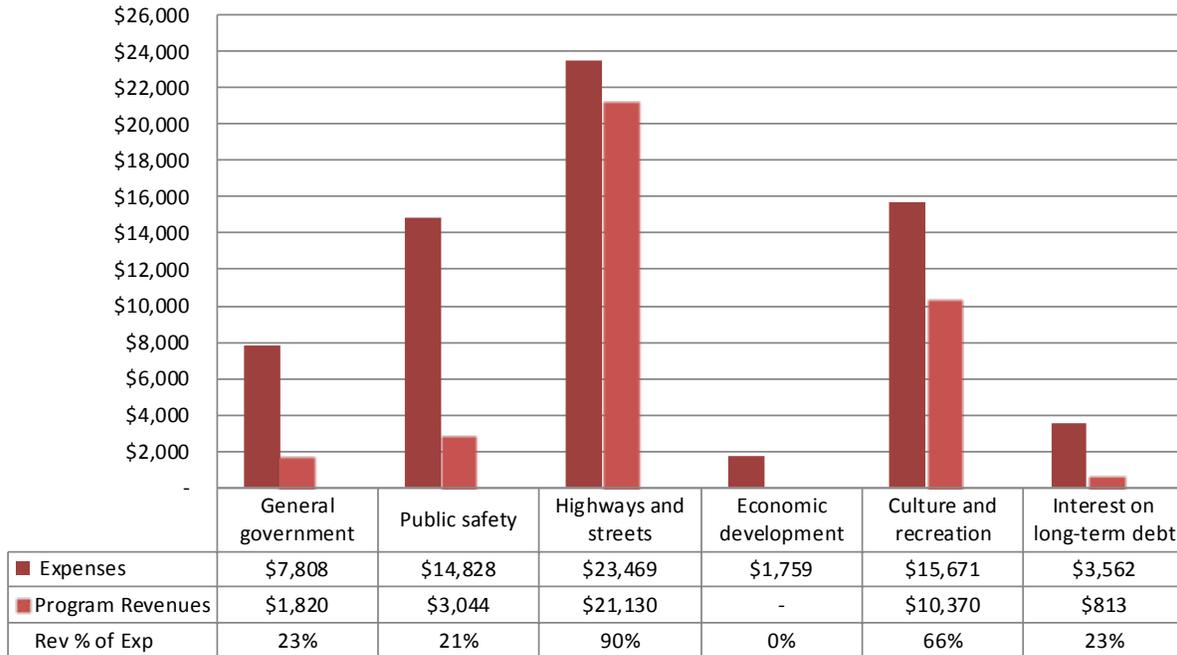
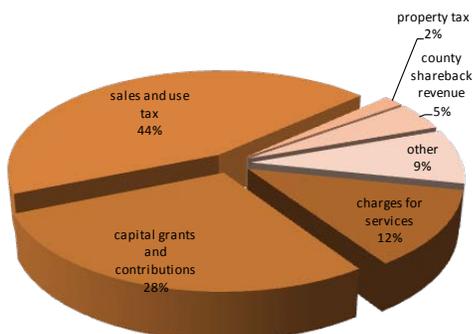


Chart 4 illustrates the extent to which the governmental activity functions are covered by program revenues: user charges, grants and contributions. As with most governments, the majority of the services provided to citizens are funded through various taxes and not program revenues. One exception in 2015 is highways and streets, which received nearly \$21 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 44 percent of the revenues in 2015. Property tax, on the other hand, represented only 2 percent of the Town's funding. Capital grants and contributions represented 28 percent of the revenue in 2015; 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



Business-type Activities

The Town's only business-type activity is stormwater management. As seen in Table 2 (page 12), Stormwater Utility Fund net position increased \$1,122,000. Revenues increased 16 percent or \$428,000. The increase is related to developer-contributed infrastructure. Expenditures increased 17 percent or \$254,000.

As Chart 6 shows, stormwater revenues exceeded expenses for 2015, adding to the funds available for future infrastructure improvements and increasing repair and maintenance costs. Operating expenses are funded entirely by stormwater utility fees charged to residential and commercial property based on their impervious area.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Chart 6. 2015 Expenses and Program Revenues - Business-type Activities (in thousands)

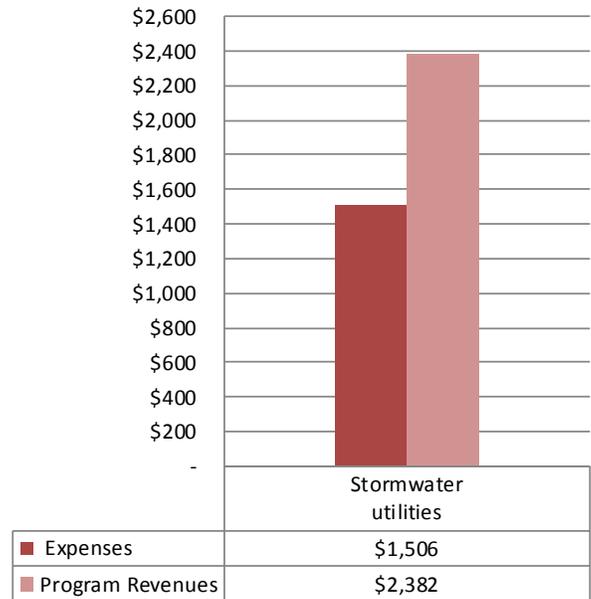


Chart 7. General Fund Components of Fund Balance (in thousands)

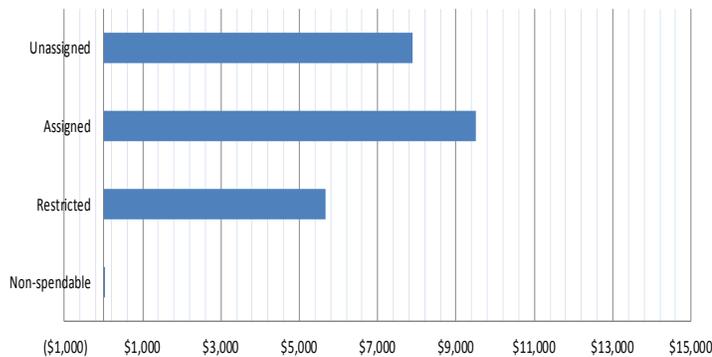
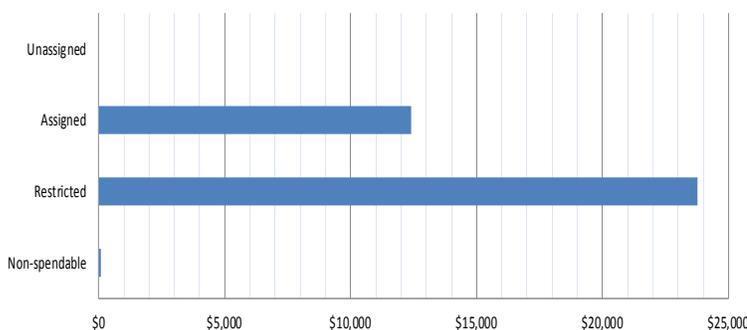
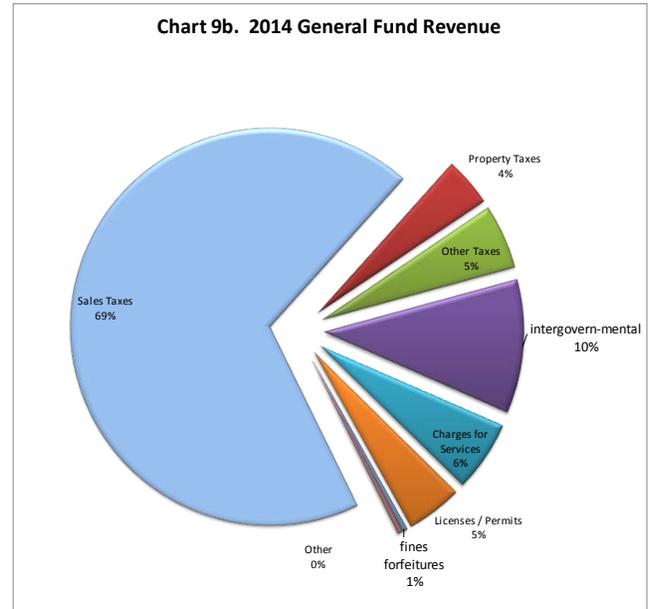
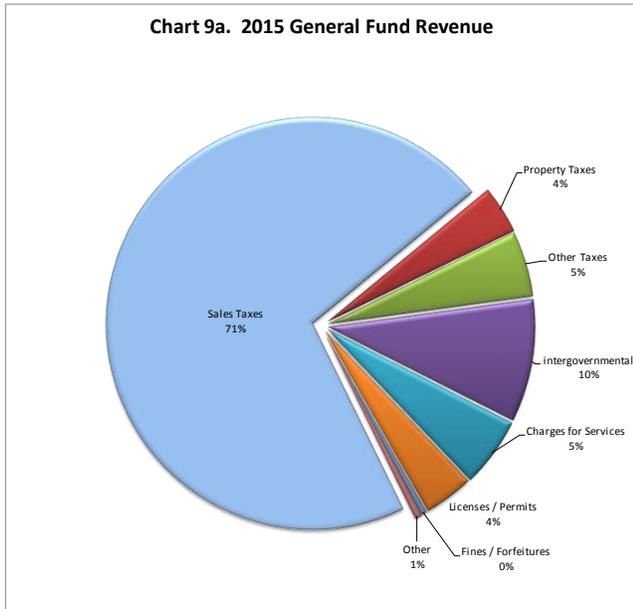


Chart 8. Other Governmental Funds Components of Fund Balance (in thousands)



Governmental funds

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



At the end of 2015, the Town’s governmental funds reported combined fund balances of \$59.3 million, a decrease of \$3 million in comparison to the prior year. Approximately 13 percent of this amount (\$7.9 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 (\$125,900), 2) restricted for particular purposes (\$29.3 million), or 3) assigned for particular purposes (\$21.9 million).

General Fund. The General Fund is the chief operating fund of the Town. At the end of 2015, unassigned fund balance of the general fund was \$7.9 million, while total fund balance was \$23.1 million. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 20 percent of total General Fund expenditures, while total fund balance represents approximately 58 percent of the same amount.

The fund balance of the General Fund decreased \$2.2 million in 2015. Revenues increased in 2015, primarily due to the increase in sales and use tax and expenditures increased due to transfers out that were more than the previous year, creating the overall decrease. Unrestricted fund balance, which is neither restricted nor non-spendable, is 44 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 2014, taxes were the largest source of revenue at 80 percent of total General Fund revenues. Sales tax, which increased from \$27.6 million to \$30.3 million or 9.5 percent, makes up 89 percent of those taxes, as well as 71 percent of the total General Fund revenue.

Parks and Recreation Fund. The Parks and Recreation Fund, a major fund, ended the current year with a total fund balance of \$13.7 million restricted fund balance. The restriction of fund balance is for the 0.50 percent sales tax that was voted on by the Town’s citizens in 1990 to be earmarked for parks and recreation improvements. With the increase in sales tax revenue combined with transfers in 2015, fund balance increased \$6.6 million. It is anticipated that fund

balance will decrease significantly in the following year due to the completion of the Plaza on Main project.

Cultural Fund. The Cultural Fund accounts for the operations of the PACE Center and Historic Schoolhouse. It is classified as major funds for the Scientific Cultural Facilities District (SCFD) Tier II grant requirements. The fund ended the current year with a total fund balance of \$1.2 million, consisting of \$62,900 of nonspendable fund balance for prepaid items such as insurance premiums and \$1.1 million of assigned fund balance. Increases in operating revenues from productions at the PACE Center resulted in an increase in fund balance of \$158,400.

Public Improvements Fund. The Public Improvements Fund, also a major fund, ended the current year with a total fund balance of \$14.6 million, consisting of \$4.7 million restricted fund balance and \$9.9 million assigned fund balance. Restricted fund balance consists primarily of funds (\$4.5 million) received from developers for various future streets capital projects. Fund balance, which can increase or decrease significantly in this fund depending on the level of capital projects planned in a given year, decreased \$2.5 million. It is anticipated that fund balance will decrease significantly in the following year due to the completion of the construction of a major road project.

Proprietary funds

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

GENERAL FUND BUDGETARY HIGHLIGHTS

In 2015, the General Fund's original budgeted expenditures and other financing uses of \$47.5 million increased \$1 million (2 percent) to a final amended budget of \$48.5 million. The increase is primarily due to re-appropriated funds for unfinished projects and purchases in 2014.

A total of \$45.7 million was actually spent compared to a final budget of \$48.5 million. Of the \$2.8 million budget-to-actual variance, \$721,700 will be re-appropriated in 2016 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 2015 original and final budgets to actual expenditures.

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

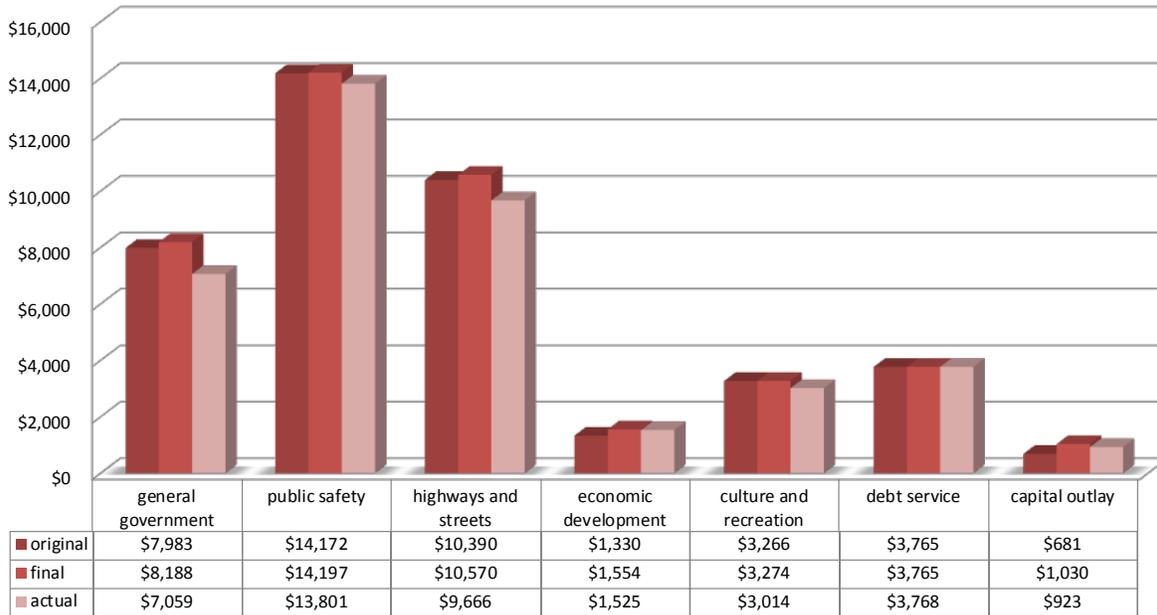


Table 3. Town Capital Assets (net of depreciation) (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 87,561	\$ 71,786	-	-	\$ 87,561	\$ 71,786
Intangible assets	239,092	239,132	-	-	239,092	239,132
Construction in progress	22,815	25,966	1,181	2,924	23,996	28,890
Buildings	64,419	51,753	-	-	64,419	51,753
Improvements other than buildings	30,926	27,627	-	-	30,926	27,627
Machinery and equipment	5,796	4,674	11	14	5,807	4,688
Infrastructure	158,817	166,274	7,988	5,616	166,806	171,890
Total	\$ 609,426	\$ 587,212	\$ 9,180	\$ 8,554	\$ 618,607	\$ 595,766

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3 illustrates the Town's capital assets (net of depreciation). At the end of 2015, the Town had \$618.6 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 \$22.9 million (4 percent) over last year.

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

- Completion of the new public works facility for \$5.28 million
- Completion of the Parker Recreation Center expansion for \$7.85 million
- Construction in progress for the new Plaza on Main for \$1.9 million
- Construction in progress for the widening of Chamber Road for \$178,900
- Construction work for the Todd Drive for \$1.4 million
- Power line undergrounding for \$686,500
- Developer contributions of right of ways for \$16.4 million

Additional information on the Town's capital assets can be found in Note 4B to the financial statements on pages 54-55 of this report.

Long-term Debt

At the end of 2015, the Town had total outstanding debt of \$66,900,000 down from \$69,665,000 outstanding at the end of 2014. This outstanding debt consists of \$9,880,000 in a refunding note with pledged sales and use tax revenue for repayment, \$38,225,000 in certificates of participation, in which the new Police Station and PACE Center serve as collateral and \$18,795,000 in certificates of participation, in which the new public works facility and Town Hall serve as collateral. All outstanding debt is related to governmental activities; no debt has been issued for business-type activities.

The Town's total debt decreased \$2,765,000 during the current fiscal year due to principal payments of \$1,265,000 on the 2009 certificates of participation and \$725,000 on the 2014 certificates of participation, net difference on 2015 refunding note of the 2006 sales and use tax bonds of \$775,000.

Town Outstanding Debt

	2015	2014
Sales and Use Tax Revenue Bonds, Series 2006	\$ -	\$ 10,655,000
Sales and Use Tax Revenue Refunding Note Series 2015	9,880,000	-
Certificates of Participation, Series 2009	38,225,000	39,490,000
Certificates of Participation, Series 2014	18,795,000	19,520,000
Total	<u>\$ 66,900,000</u>	<u>\$ 69,665,000</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 an AA credit rating from Standard & Poor's for the 2009 Certificates of Participation and 2014 Certificates of Participation.

Note 4F to the financial statements on page 57-59 of this report presents more detailed information about the debt position of the Town.

ECONOMIC FACTORS AND THE 2016 BUDGET

The number one issue affecting the development of the 2016 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. Unemployment numbers continue to improve nationwide as well as consumer confidence, the local economy has shown marked improvement 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 and unemployment rates the lowest

they've been in a decade. As a result, the 2016 budget is developed under much better economic circumstances. Improvements in 2014 and 2015 have eased uncertainty regarding the economy, but the Town is cautiously optimistic that economic improvement will continue through 2016. News reports and predictions about the economic recovery have been more positive than in the recent past even with the uncertainty of the impact of low oil prices on oil production the United State and what affects it may have on the national economy. With all this taken into account, we developed the 2016 budget with a conservative approach to revenue projections as we had in prior years.

For the 2016 budget, most revenues were projected to increase between 1 and 4 percent. Sales tax revenue is projected to increase 6 percent due to strong retail sales growth and the opening of the new King Soopers Marketplace in late 2016, as well as new businesses expected to come online in 2016. 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 17 percent due to the reassessment by the Douglas County Assessor which showed significant increases 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 strong years in 2013 and 2014 with 332 and 347 SFR permits issued respectively and 312 SFR in 2015.

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 1.9 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.



PARKER
C O L O R A D O



**BASIC
FINANCIAL
STATEMENTS**

TOWN OF PARKER, COLORADO
Government-wide
Statement of Net Position
December 31, 2015

	Governmental Activities	Business- type Activities	Total
ASSETS			
Equity in pooled cash and investments	\$ 54,969,309	\$ 2,982,306	\$ 57,951,615
Cash and investments	1,262,964	-	1,262,964
Restricted assets			
Cash and investments held in escrow by trustee	3,876,897	-	3,876,897
Net pension asset	1,216,731	-	1,216,731
Receivables (net of allowance for uncollectibles)	8,747,061	115,951	8,863,012
Inventories	43,615	-	43,615
Prepaid items	204,121	-	204,121
Capital assets (net of accumulated depreciation)			
Land	87,561,384	-	87,561,384
Intangible assets	239,092,176	-	239,092,176
Construction in progress	22,815,475	1,180,513	23,995,988
Buildings	64,419,317	-	64,419,317
Improvements other than buildings	30,925,928	-	30,925,928
Machinery and equipment	5,795,709	10,866	5,806,575
Infrastructure	158,817,341	7,988,373	166,805,714
Total assets	<u>679,748,028</u>	<u>12,278,009</u>	<u>692,026,037</u>
DEFERRED OUTFLOW OF RESOURCES			
Related to pensions	494,720	-	494,720
LIABILITIES			
Accounts payable and other current liabilities	5,834,207	150,409	5,984,616
Accrued interest payable	557,025	-	557,025
Unearned revenue	1,018,803	-	1,018,803
Non-current liabilities			
Due within one year	3,789,525	28,330	3,817,855
Due in more than one year	65,325,640	28,329	65,353,969
Total liabilities	<u>76,525,200</u>	<u>207,068</u>	<u>76,732,268</u>
DEFERRED INFLOWS OF RESOURCES			
Grant revenues	88,734	-	88,734
Property tax revenues	1,724,601	-	1,724,601
Related to pensions	52,392	-	52,392
Total deferred inflow of resources	<u>1,865,727</u>	<u>-</u>	<u>1,865,727</u>
NET POSITION			
Net investment in capital assets	541,402,220	9,179,752	550,581,972
Restricted for:			
Emergencies	1,698,000	-	1,698,000
Parks, recreation and open space purposes	14,008,969	-	14,008,969
Law enforcement purposes	85,354	-	85,354
Culture purposes	31,205	-	31,205
Highways and streets capital projects	4,868,261	-	4,868,261
Streets, parks, recreation and facilities	4,833,721	-	4,833,721
Stormwater capital projects	-	447,417	447,417
Pensions	1,659,059	-	1,659,059
Future retirement contributions	106,313	-	106,313
Debt service	3,213,559	-	3,213,559
Unrestricted	29,945,160	2,443,772	32,388,932
Total net position	<u>\$ 601,851,821</u>	<u>\$ 12,070,941</u>	<u>\$ 613,922,762</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, 2015

FUNCTIONS / PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 7,808,349	\$ 1,739,854	\$ 79,781	\$ -	\$ (5,988,714)	\$ -	\$ (5,988,714)
Public safety	14,828,040	2,382,837	660,751	-	(11,784,452)	-	(11,784,452)
Highways and streets	23,468,870	267,423	-	20,862,605	(2,338,842)	-	(2,338,842)
Economic development	1,759,381	-	-	-	(1,759,381)	-	(1,759,381)
Culture and recreation	15,671,430	6,468,303	575,534	3,326,200	(5,301,393)	-	(5,301,393)
Interest on long-term debt	3,561,896	-	-	813,069	(2,748,827)	-	(2,748,827)
Total governmental activities	67,097,966	10,858,417	1,316,066	25,001,874	(29,921,609)	-	(29,921,609)
Business-type activities							
Stormwater utilities	1,506,469	1,987,122	-	395,000	-	875,653	875,653
Total primary government	\$ 68,604,435	\$ 12,845,539	\$ 1,316,066	\$ 25,396,874			

GENERAL REVENUES

Taxes			
Sales and use	39,469,983	-	39,469,983
Property	1,590,673	-	1,590,673
Franchise	921,013	-	921,013
Excise - electric	1,075,865	-	1,075,865
Excise - new development	2,064,824	-	2,064,824
Sales and use - county shareback	2,766,212	-	2,766,212
Road and bridge - county shareback	1,238,675	-	1,238,675
Highway users	1,384,719	-	1,384,719
Other	837,139	-	837,139
Unrestricted investment earnings	186,084	9,671	195,755
Gain on disposal of property	85,506	-	85,506
Transfers	185,455	(185,455)	-
Total general revenues	51,806,148	246,077	52,052,225
Change in net position	21,884,539	1,121,730	23,006,269
Net position - January 1	577,640,775	10,949,211	588,589,986
Prior Period Adjustment (Note 6)	2,326,507	-	2,326,507
Net position - January 1 as Restated	579,967,282	10,949,211	590,916,493
Net position - December 31	\$ 601,851,821	\$ 12,070,941	\$ 613,922,762

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

TOWN OF PARKER, COLORADO
Governmental Funds
Balance Sheet
December 31, 2015

	General	Parks and Recreation	Public Improvements	PACE
ASSETS				
Equity in pooled cash and investments	\$ 17,227,064	\$ 13,045,434	\$ 13,984,206	\$ 1,083,384
Cash and investments	2,350	-	-	2,000
Investment held in escrow by trustee	3,770,579	-	5	-
Receivables				
Investment earnings	10,808	8,345	10,743	693
Taxes - property tax	1,724,601	-	-	-
Taxes - sales tax	3,332,425	666,514	-	-
Accounts (net of allowance for uncollectibles)	1,298,268	5,698	505,476	40,220
Intergovernmental	347,000	-	445,278	88,734
Deposits	42,736	-	-	-
Prepaid items	44,718	-	-	62,873
Total assets	<u>\$ 27,800,549</u>	<u>\$ 13,725,991</u>	<u>\$ 14,945,708</u>	<u>\$ 1,277,904</u>
LIABILITIES				
Accounts payable	\$ 2,091,651	\$ 67,119	\$ 134,621	\$ 147,137
Retainage payable	60,668	8,186	48,104	-
Intergovernmental payable	-	-	-	3,893
Other current liabilities	234,507	28,058	132,332	-
Deposits	586,974	-	-	18,725
Unearned revenue	-	20,000	-	278,918
Total liabilities	<u>2,973,800</u>	<u>123,363</u>	<u>315,057</u>	<u>448,673</u>
DEFERRED INFLOWS OF RESOURCES				
Grant revenues	-	-	-	88,734
Property tax revenues	1,724,601	-	-	-
Total deferred inflow of resources	<u>1,724,601</u>	<u>-</u>	<u>-</u>	<u>88,734</u>
FUND BALANCES				
Non-spendable:				
Prepaid items	44,718	-	-	62,873
Restricted:				
Emergencies	1,826,000	-	-	-
Parks, recreation and open space	72,546	13,602,628	-	-
Law enforcement	-	-	-	-
Culture	-	-	-	-
Highways and streets	-	-	4,668,147	-
Streets, parks, recreation and facilities	-	-	-	-
Economic development	-	-	-	-
Debt service	3,770,579	-	5	-
Assigned:				
Subsequent year's budget: appropriation of fund balance	7,527,718	-	-	-
Culture	-	-	-	677,624
Parks, recreation and open space	-	-	-	-
Police Station/PACE Center construction	1,575,478	-	-	-
Highways and streets	403,809	-	9,962,499	-
Unassigned	7,881,300	-	-	-
Total fund balances	<u>23,102,148</u>	<u>13,602,628</u>	<u>14,630,651</u>	<u>740,497</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,800,549</u>	<u>\$ 13,725,991</u>	<u>\$ 14,945,708</u>	<u>\$ 1,277,904</u>

(continued)

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

TOWN OF PARKER, COLORADO
Governmental Funds
Balance Sheet (continued)
December 31, 2015

The Schoolhouse	Recreation	Parker Authority for Reinvestment	Other Governmental Funds	Total Governmental Funds
\$ 543,431	\$ 2,281,239	\$ -	\$ 5,265,453	\$ 53,430,211
300	4,400	908,306	345,608	1,262,964
-	-	-	-	3,770,584
343	1,464	-	3,362	35,758
-	-	-	-	1,724,601
-	-	-	-	3,998,939
7,598	109,492	28	10,237	1,977,017
26,473	-	-	-	907,485
-	-	-	-	42,736
-	16,289	2,000	-	125,880
<u>\$ 578,145</u>	<u>\$ 2,412,884</u>	<u>\$ 910,334</u>	<u>\$ 5,624,660</u>	<u>\$ 67,276,175</u>
\$ 109,222	\$ 306,906	\$ 973,000	\$ 56,564	\$ 3,886,220
9,834	-	-	-	126,792
-	2,582	-	-	6,475
-	-	-	140,902	535,799
4,500	-	-	-	610,199
-	719,885	-	-	1,018,803
<u>123,556</u>	<u>1,029,373</u>	<u>973,000</u>	<u>197,466</u>	<u>6,184,288</u>
-	-	-	-	88,734
-	-	-	-	1,724,601
-	-	-	-	1,813,335
-	16,289	2,000	-	125,880
-	-	-	-	1,698,000
-	57,000	-	276,795	14,008,969
-	-	-	85,354	85,354
-	-	-	31,205	31,205
-	-	-	200,119	4,868,266
-	-	-	4,833,721	4,833,721
-	-	-	-	-
-	-	-	-	3,770,584
-	-	-	-	7,527,718
454,589	1,310,222	-	-	2,442,435
-	-	-	-	-
-	-	-	-	1,575,478
-	-	-	-	10,366,308
-	-	(64,666)	-	7,944,634
<u>454,589</u>	<u>1,383,511</u>	<u>(62,666)</u>	<u>5,427,194</u>	<u>59,278,552</u>
<u>\$ 578,145</u>	<u>\$ 2,412,884</u>	<u>\$ 910,334</u>	<u>\$ 5,624,660</u>	<u>\$ 67,276,175</u>

(concluded)

TOWN OF PARKER, COLORADO
Reconciliation of Total Fund Balances on the Governmental Funds Balance Sheet to the
Governmental Activities Total Net Position in the Government-wide Statement of Net Position
December 31, 2015

Total governmental fund balances	\$ 59,278,552
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental fund balance sheet.	605,191,525
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Net pension asset in governmental activities is not a financial resource and is therefore not reported in the governmental fund balance sheet.	1,216,731
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Retirement forfeiture funds are not financial resources and are therefore not reported in the governmental fund balance sheet.	106,313
--	---------

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.	5,154,794
--	-----------

Deferred inflows related to pensions are applicable to future periods and, therefore, are not reported in the funds	(52,392)
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Deferred outflows related to pensions are applicable to future periods and, therefore, are not reported in the funds	494,720
--	---------

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.	(69,538,422)
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Net position of governmental activities (page 25)	<u>\$ 601,851,821</u>
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The notes to the financial statements are an integral part of this statement.



PARKER
C O L O R A D O

TOWN OF PARKER, COLORADO
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2015

	General	Parks and Recreation	Public Improvements	PACE
REVENUES				
Taxes				
Sales and use	\$ 30,251,287	\$ 6,532,038	\$ 2,686,658	\$ -
Property	1,590,673	-	-	-
Franchise	921,013	-	-	-
Electric excise	1,075,865	-	-	-
Excise tax - new development	-	-	-	-
Other	159,653	-	-	-
Intergovernmental	4,061,239	2,900,000	3,060,654	319,703
Charges for services	2,309,447	-	-	1,959,645
Licenses and permits	1,650,645	-	-	-
Fines and forfeitures	199,047	-	-	-
Contributions	86,902	24,390	2,972,674	133,476
Net investment earnings	69,987	38,671	52,868	2,163
Miscellaneous	76,488	23,900	1,197	1,138
Total revenues	<u>42,452,246</u>	<u>9,518,999</u>	<u>8,774,051</u>	<u>2,416,125</u>
EXPENDITURES				
Current				
General government	7,059,394	-	-	-
Public safety	13,800,610	-	-	-
Highways and streets	9,665,931	-	1,295,842	-
Culture and recreation	3,013,762	497,381	-	3,547,092
Economic development	1,524,736	89,420	-	-
Building	-	-	354,684	-
Debt service				
Principal	1,265,000	-	-	-
Interest	2,499,250	-	-	-
Fiscal charges	3,500	68,724	-	-
Capital outlay	922,646	8,697,945	9,849,714	38,700
Total expenditures	<u>39,754,829</u>	<u>9,353,470</u>	<u>11,500,240</u>	<u>3,585,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,697,417</u>	<u>165,529</u>	<u>(2,726,189)</u>	<u>(1,169,667)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,578	10,965,000	191,370	1,500,000
Transfers out	(5,947,310)	(4,540,137)	-	-
Payment to escrow agent	-	(9,880,000)	-	-
Issuance of debt	-	9,880,000	-	-
Insurance recoveries	9,438	-	-	-
Total other financing sources (uses)	<u>(4,937,294)</u>	<u>6,424,863</u>	<u>191,370</u>	<u>1,500,000</u>
Net change in fund balances	(2,239,877)	6,590,392	(2,534,819)	330,333
Fund balances - January 1	<u>25,342,025</u>	<u>7,012,236</u>	<u>17,165,470</u>	<u>410,164</u>
Fund balances - December 31	<u>\$ 23,102,148</u>	<u>\$ 13,602,628</u>	<u>\$ 14,630,651</u>	<u>\$ 740,497</u>

(continued)

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

TOWN OF PARKER, COLORADO

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)

For the Year Ended December 31, 2015

The Schoolhouse	Recreation	Parker Authority for Reinvestment	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 39,469,983
-	-	-	-	1,590,673
-	-	-	-	921,013
-	-	-	-	1,075,865
-	-	-	2,064,824	2,064,824
-	-	-	-	159,653
26,473	17,850	363,153	450,610	11,199,682
100,317	4,379,860	-	3,089	8,752,358
-	-	-	-	1,650,645
-	-	-	81,797	280,844
7,900	-	-	-	3,225,342
1,689	5,457	75	12,241	183,151
98	3,345	-	70,077	176,243
<u>136,477</u>	<u>4,406,512</u>	<u>363,228</u>	<u>2,682,638</u>	<u>70,750,276</u>
-	-	-	-	7,059,394
-	-	-	207,990	14,008,600
-	-	-	-	10,961,773
239,376	5,914,919	-	56,094	13,268,624
-	-	145,225	-	1,759,381
-	-	-	-	354,684
-	-	-	1,500,000	2,765,000
-	-	-	1,150,794	3,650,044
-	-	-	138	72,362
<u>318,999</u>	<u>139,778</u>	<u>-</u>	<u>99,530</u>	<u>20,067,312</u>
<u>558,375</u>	<u>6,054,697</u>	<u>145,225</u>	<u>3,014,546</u>	<u>73,967,174</u>
<u>(421,898)</u>	<u>(1,648,185)</u>	<u>218,003</u>	<u>(331,908)</u>	<u>(3,216,898)</u>
250,000	1,855,500	-	2,650,932	18,413,380
-	-	-	(7,725,478)	(18,212,925)
-	-	-	-	(9,880,000)
-	-	-	-	9,880,000
-	-	-	-	9,438
<u>250,000</u>	<u>1,855,500</u>	<u>-</u>	<u>(5,074,546)</u>	<u>209,893</u>
(171,898)	207,315	218,003	(5,406,454)	(3,007,005)
<u>626,487</u>	<u>1,176,196</u>	<u>(280,669)</u>	<u>10,833,648</u>	<u>62,285,557</u>
<u>\$ 454,589</u>	<u>\$ 1,383,511</u>	<u>\$ (62,666)</u>	<u>\$ 5,427,194</u>	<u>\$ 59,278,552</u>

(concluded)

TOWN OF PARKER, COLORADO
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2015

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

Net change in fund balances - total governmental funds	\$ (3,007,005)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	4,743,479
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.	17,059,468
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.	2,765,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(885,768)
Capital assets transferred from Governmental Funds to the Fleet Internal Service Fund are not considered revenue in the Government-wide statement.	(567,869)
Internal service funds are used by management to charge the costs of fleet repairs, computer renewal and replacement, and facility services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	1,439,882
Employer contributions for pension related items are reported as expenditures in the governmental funds. However, in the statement of activities the contributions made during the fiscal year either changed the net pension asset or are shown as contributions after the measurement dated of December 31, 2014 and not reflected as expenses on the statement of activities.	398,787
Net pension asset related items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These activities consist of:	
Pension expense	(64,298)
Amortization of change in proportionate share	2,863
	<hr/>
Change in net position - governmental activities (page 25)	<u><u>\$ 21,884,539</u></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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Sales	\$ 27,966,500	\$ 27,966,500	\$ 30,251,287	\$ 2,284,787
Property	1,551,000	1,551,000	1,590,673	39,673
Franchise	896,600	896,600	921,013	24,413
Electric excise	1,088,200	1,088,200	1,075,865	(12,335)
Other	110,000	110,000	159,653	49,653
Licenses and permits				
Building	1,425,600	1,425,600	1,477,065	51,465
Other	221,100	221,100	173,580	(47,520)
Intergovernmental				
Highway users taxes	1,071,800	1,071,800	1,090,277	18,477
County road and bridge shareback	1,291,800	1,291,800	1,238,675	(53,125)
Other	1,153,037	1,153,037	1,732,287	579,250
Charges for services	2,592,500	2,592,500	2,309,447	(283,053)
Fines and forfeitures	176,700	176,700	199,047	22,347
Contributions	-	-	86,902	86,902
Net investment earnings	89,500	89,500	69,987	(19,513)
Miscellaneous	85,000	85,000	76,488	(8,512)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	39,719,337	39,719,337	42,452,246	2,732,909
EXPENDITURES				
Current				
General government				
Elected officials	130,300	130,300	129,525	775
Town clerk and elections	386,496	414,496	353,296	61,200
Municipal court	307,009	307,009	273,384	33,625
Town administrator	584,160	584,160	639,303	(55,143)
Finance	1,304,163	1,304,163	1,167,307	136,856
Legal services	517,527	517,527	494,901	22,626
Human resources	844,973	844,973	728,910	116,063
Risk management	338,807	338,807	265,221	73,586
Community development	1,622,378	1,775,063	1,273,894	501,169
Communications	721,588	746,588	693,350	53,238
Buildings and plant	448,200	448,200	521,633	(73,433)
Customer service	128,822	128,822	118,795	10,027
Interdepartmental	648,133	648,133	399,875	248,258
Total general government	<hr/>	<hr/>	<hr/>	<hr/>
	7,982,556	8,188,241	7,059,394	1,128,847

(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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety				
Police	\$ 13,052,999	\$ 13,052,999	\$ 12,659,120	\$ 393,879
Building inspection	1,118,893	1,144,188	1,141,490	2,698
Total public safety	<u>14,171,892</u>	<u>14,197,187</u>	<u>13,800,610</u>	<u>396,577</u>
Highways and streets	10,389,688	10,569,558	9,665,931	903,627
Economic development	1,330,257	1,553,526	1,524,736	28,790
Parks, forestry and open space	3,265,724	3,273,696	3,013,762	259,934
Debt service				
Principal	1,265,000	1,265,000	1,265,000	-
Interest	2,499,300	2,499,300	2,499,250	50
Fiscal charges	1,000	1,000	3,500	(2,500)
Total debt service	<u>3,765,300</u>	<u>3,765,300</u>	<u>3,767,750</u>	<u>(2,450)</u>
Capital outlay	681,150	1,029,581	922,646	106,935
Total expenditures	<u>41,586,567</u>	<u>42,577,089</u>	<u>39,754,829</u>	<u>2,822,260</u>
Deficiency of revenues over (under) expenditures	<u>(1,867,230)</u>	<u>(2,857,752)</u>	<u>2,697,417</u>	<u>5,555,169</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	975,100	975,100	1,000,578	25,478
Transfers out	(5,947,339)	(5,947,339)	(5,947,310)	29
Insurance recoveries	-	-	9,438	9,438
Total other financing sources (uses)	<u>(4,972,239)</u>	<u>(4,972,239)</u>	<u>(4,937,294)</u>	<u>25,507</u>
Net change in fund balance	(6,839,469)	(7,829,991)	(2,239,877)	5,580,676
Fund balance - January 1	24,113,434	25,342,025	25,342,025	-
Fund balance - December 31	<u>\$ 17,273,965</u>	<u>\$ 17,512,034</u>	<u>\$ 23,102,148</u>	<u>\$ 5,580,676</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales	\$ 5,593,300	\$ 5,593,300	\$ 6,050,258	\$ 456,958
Use	414,700	414,700	481,780	67,080
Intergovernmental	2,870,340	2,870,340	2,900,000	29,660
Contributions	-	-	24,390	24,390
Net investment earnings	20,000	20,000	38,671	18,671
Miscellaneous	8,035	8,035	23,900	15,865
Total revenues	<u>8,906,375</u>	<u>8,906,375</u>	<u>9,518,999</u>	<u>612,624</u>
EXPENDITURES				
Current				
Culture and recreation	259,000	268,152	497,381	(229,229)
Economic development	93,000	93,000	89,420	3,580
Debt Service				
Fiscal charges	-	-	68,724	(68,724)
Capital outlay	<u>15,638,086</u>	<u>17,373,598</u>	<u>8,697,945</u>	<u>8,675,653</u>
Total expenditures	<u>15,990,086</u>	<u>17,734,750</u>	<u>9,353,470</u>	<u>8,381,280</u>
Excess of revenues over expenditures	<u>(7,083,711)</u>	<u>(8,828,375)</u>	<u>165,529</u>	<u>8,993,904</u>
OTHER FINANCING USES				
Transfers in	10,950,000	10,965,000	10,965,000	-
Transfers out	(4,542,038)	(4,542,038)	(4,540,137)	1,901
Payment to escrow agent	-	(9,880,000)	(9,880,000)	-
Issuance of debt	-	9,880,000	9,880,000	-
Total other financing uses	<u>6,407,962</u>	<u>6,422,962</u>	<u>6,424,863</u>	<u>1,901</u>
Net change in fund balance	(675,749)	(2,405,413)	6,590,392	8,995,805
Fund balance - January 1	4,630,075	7,012,236	7,012,236	-
Fund balance - December 31	<u>\$ 3,954,326</u>	<u>\$ 4,606,823</u>	<u>\$ 13,602,628</u>	<u>\$ 8,995,805</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 250,000	\$ 308,500	\$ 319,703	\$ 11,203
Charges for services	1,429,500	1,901,900	1,959,645	57,745
Contributions	50,000	92,000	133,476	41,476
Net investment earnings	1,900	1,900	2,163	263
Miscellaneous	-	-	1,138	1,138
	1,731,400	2,304,300	2,416,125	110,687
EXPENDITURES				
Current				
Culture	3,273,362	3,736,132	3,547,092	189,040
Capital outlay	-	-	38,700	(38,700)
Total expenditures	3,273,362	3,736,132	3,585,792	150,340
Deficiency of revenues under expenditures	(1,541,962)	(1,431,832)	(1,169,667)	261,027
OTHER FINANCING SOURCES				
Transfers in	1,500,000	1,500,000	1,500,000	-
Net change in fund balance	(41,962)	68,168	330,333	261,027
Fund balance - January 1	224,414	410,164	410,164	-
Fund balance - December 31	\$ 182,452	\$ 478,332	\$ 740,497	\$ 261,027

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
The Schoolhouse Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 26,473	\$ (233,527)
Charges for services	95,800	95,800	100,317	4,517
Contributions	-	-	7,900	7,900
Net investment earnings	1,600	1,600	1,689	89
Miscellaneous	-	-	98	98
Total revenues	<u>357,400</u>	<u>357,400</u>	<u>136,477</u>	<u>12,604</u>
EXPENDITURES				
Current				
Culture	298,163	308,163	239,376	68,787
Capital outlay	<u>535,000</u>	<u>878,000</u>	<u>318,999</u>	<u>559,001</u>
Total expenditures	<u>833,163</u>	<u>1,186,163</u>	<u>558,375</u>	<u>627,788</u>
Deficiency of revenues under expenditures	<u>(475,763)</u>	<u>(828,763)</u>	<u>(421,898)</u>	<u>640,392</u>
OTHER FINANCING SOURCES				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	(225,763)	(578,763)	(171,898)	640,392
Fund balance - January 1	<u>403,445</u>	<u>626,487</u>	<u>626,487</u>	<u>-</u>
Fund balance - December 31	<u>\$ 177,682</u>	<u>\$ 47,724</u>	<u>\$ 454,589</u>	<u>\$ 640,392</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
Recreation Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 21,000	\$ 21,000	\$ 17,850	(3,150)
Charges for services	3,930,650	4,230,650	4,379,860	\$ 149,210
Net investment earnings	5,700	5,700	5,457	(243)
Miscellaneous	-	-	3,345	3,345
Total revenues	<u>3,957,350</u>	<u>4,257,350</u>	<u>4,406,512</u>	<u>149,162</u>
EXPENDITURES				
Current				
Culture and recreation	6,173,107	6,338,107	5,914,919	423,188
Capital outlay	257,785	300,385	139,778	160,607
Total expenditures	<u>6,430,892</u>	<u>6,638,492</u>	<u>6,054,697</u>	<u>583,795</u>
Deficiency of revenues under expenditures	<u>(2,473,542)</u>	<u>(2,381,142)</u>	<u>(1,648,185)</u>	<u>732,957</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,855,500</u>	<u>1,855,500</u>	<u>1,855,500</u>	<u>-</u>
Net change in fund balance	(618,042)	(525,642)	207,315	732,957
Fund balance - January 1	945,402	1,176,196	1,176,196	-
Fund balance - December 31	<u>\$ 327,360</u>	<u>\$ 650,554</u>	<u>\$ 1,383,511</u>	<u>\$ 732,957</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
Parker Authority for Reinvestment
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 328,900	\$ 328,900	\$ 363,153	\$ 34,253
Investment earnings	100	100	75	(25)
Total revenues	<u>329,000</u>	<u>329,000</u>	<u>363,228</u>	<u>34,228</u>
EXPENDITURES				
Current				
Economic development	183,458	183,458	145,225	38,233
Capital outlay	<u>55,260</u>	<u>55,260</u>	<u>-</u>	<u>55,260</u>
Total expenditures	<u>238,718</u>	<u>238,718</u>	<u>145,225</u>	<u>93,493</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>90,282</u>	<u>90,282</u>	<u>218,003</u>	<u>(59,265)</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	(9,718)	(9,718)	218,003	40,735
Fund balance - January 1	<u>475,623</u>	<u>(280,669)</u>	<u>(280,669)</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ 465,905</u></u>	<u><u>\$ (290,387)</u></u>	<u><u>\$ (62,666)</u></u>	<u><u>\$ 40,735</u></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, 2015

	Business-type Activities	Governmental Activities
	Stormwater Utility	Internal Service Funds
ASSETS		
Current		
Equity in pooled cash and investments	\$ 2,982,306	\$ 1,539,098
Receivables		
Investment earnings receivable	1,908	985
Accounts receivable	114,043	59,540
Prepaid items	-	78,241
Inventory	-	43,615
Total current assets	<u>3,098,257</u>	<u>1,721,479</u>
Non-current		
Capital assets (net of accumulated depreciation)		
Construction in progress	1,180,513	-
Intangible assets	7,988,373	652,289
Machinery and equipment	10,866	3,567,587
Improvements other than buildings	-	15,929
Net capital assets	<u>9,179,752</u>	<u>4,235,805</u>
Total assets	<u>12,278,009</u>	<u>5,957,284</u>
LIABILITIES		
Current		
Accounts payable and other current liabilities	50,409	326,569
Security deposits payable	100,000	-
Checks issued in excess of available cash	-	342,153
Compensated absences	56,659	133,768
Total liabilities	<u>207,068</u>	<u>802,490</u>
NET POSITION		
Net investment in capital assets	9,179,752	4,235,805
Restricted for capital projects	447,417	-
Unrestricted	2,443,772	918,989
Total net position	<u>\$ 12,070,941</u>	<u>\$ 5,154,794</u>

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, 2015

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Stormwater Utility</u>	<u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for sales and services	\$ 1,986,850	\$ 7,413,687
Miscellaneous	272	55,581
Total operating revenues	<u>1,987,122</u>	<u>7,469,268</u>
OPERATING EXPENSES		
Cost of sales and services	1,341,113	5,832,200
Depreciation	165,356	841,878
Total operating expenses	<u>1,506,469</u>	<u>6,674,078</u>
Operating income	<u>480,653</u>	<u>795,190</u>
NON-OPERATING REVENUES		
Net investment earnings	9,671	2,933
Insurance recoveries	-	3,384
Contributions	421,861	-
Gain on disposal of property	-	85,506
Total non-operating revenues	<u>431,532</u>	<u>91,823</u>
Income before capital contributions and transfers	912,185	887,013
Capital contributions	395,000	567,869
Transfers in	-	22,942
Transfers out	<u>(185,455)</u>	<u>(37,942)</u>
Change in net position	1,121,730	1,439,882
Total net position - January 1	<u>10,949,211</u>	<u>3,714,912</u>
Total net position - December 31	<u><u>\$ 12,070,941</u></u>	<u><u>\$ 5,154,794</u></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, 2015

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Stormwater Utility</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 1,978,249	\$ 7,464,088
Payments to suppliers	(646,706)	(3,836,675)
Payments to employees	(657,642)	(1,787,207)
Receipts from others	272	55,581
Net cash provided by operating activities	<u>674,173</u>	<u>1,895,787</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipt from sale of capital assets	-	85,506
Contributions	421,861	-
Transfer out to debt service fund	(185,455)	-
Transfer out to recreation fund	-	(15,000)
Purchases of capital assets	(395,513)	(1,254,039)
Insurance recoveries	-	3,384
Net cash used by capital and related financing activities	<u>(159,107)</u>	<u>(1,180,149)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment earnings received	<u>9,034</u>	<u>2,195</u>
Net cash provided by investing activities	<u>9,034</u>	<u>2,195</u>
Net increase (decrease) in equity in pooled cash and investments	524,100	717,833
Equity in pooled cash and investments - January 1	2,458,206	479,112
Equity in pooled cash and investments - December 31	<u>\$ 2,982,306</u>	<u>\$ 1,196,945</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	<u>\$ 480,653</u>	<u>\$ 795,190</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	165,356	841,878
Effects of changes in current assets and liabilities:		
Accounts receivable	(8,601)	50,401
Inventory	-	(651)
Prepaid items	12,387	5,464
Accounts/retainage payable	23,321	175,877
Compensated absences and wages payable	1,057	27,628
Total adjustments	<u>193,520</u>	<u>1,100,597</u>
Net cash provided by operating activities	<u>\$ 674,173</u>	<u>\$ 1,895,787</u>
NONCASH CAPITAL ACTIVITIES:		
Contributions of capital assets	<u>\$ 395,000</u>	<u>\$ 590,811</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, 2015

	Agency Fund
ASSETS	
Equity in pooled cash and investments	\$ 2,807,626
LIABILITIES	
Security escrows	\$ 2,807,626

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



PARKER
C O L O R A D O

TOWN OF PARKER, COLORADO
Notes to the Financial Statements
December 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting entity

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

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

Blended component units

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

The Greater Parker Foundation (GPF) was incorporated in 2008 as a Colorado non-profit corporation exclusively for public, charitable, and educational purposes as described in and contemplated by § 501(c)(3) of the Internal Revenue Code of 1986, and more specifically, exclusively for the benefit of the Town. The GPF is presented as a blended component unit of the Town because it is engaged in fund raising activities that benefit the Town 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. For the purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Pension Association of Colorado (FPPA) and additions to/deductions from the FPPA's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

The *Parker Authority for Reinvestment Fund* accounts for the activities of the Parker Authority for Reinvestment which is a component unit engaged in urban renewal activities.

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

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

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

1. Cash and investments

Equity in pooled cash and investments

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

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

2. Receivables

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

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

3. Inventories

Inventories are stated at 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 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.

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

10. Net position

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

- *Net investment in capital assets* – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.
- *Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

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

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

11. Fund balance

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

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

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Details of the \$69,538,422 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	\$ 9,880,000
Certificates of participation series 2009	38,225,000
Certificates of participation series 2014	18,795,000
Underwriters discount	(59,803)
Premium	627,894
Accrued interest payable	557,025
Compensated absences	<u>1,513,306</u>
 Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	 <u>\$ 69,538,422</u>

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

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

Details of the \$4,743,480 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	\$ 20,067,312
Depreciation expense	<u>(15,323,833)</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>\$ 4,743,479</u>

Details of the \$17,059,468 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	\$ 17,889,930
Capital asset deletions net of accumulated depreciation	<u>(830,462)</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>\$ 17,059,468</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 \$2,765,000 item are as follows:

Principal repayments:	
Revenue bonds	775,000
Certificates of participation series 2009	1,265,000
Certificates of participation series 2014	<u>725,000</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>\$ 2,765,000</u>

Details of the \$(885,768) 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	\$ (72,167)
Discount	(3,262)
Retirement forfeitures used for Town contributions	(898,487)
Interest	<u>88,148</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>\$ (885,768)</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, 2015, appropriations including transfers were amended as follows:

Fund	Original Budget	Increase/ Decrease	Final Budget
General	\$ 47,533,906	\$ 990,522	\$ 48,524,428
Special Revenue			
Parks and Recreation	20,532,124	1,744,664	22,276,788
Law Enforcement Assistance	175,400	115,233	290,633
PACE	3,273,362	462,770	3,736,132
Recreation	6,430,892	207,600	6,638,492
Mainstreet Center	833,163	353,000	1,186,163
Capital Project			
Public Improvements	17,113,675	6,563,917	23,677,592
Police/PACE Center Construction	-	27,212	27,212
Internal Service			
Fleet Services	1,766,790	130,000	1,896,790
Technology Management	2,670,531	841,200	3,511,731
Enterprise			
Stormwater Utility	1,837,478	239,014	2,076,492

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash deposits and investments

Cash deposits and investments are reflected on the December 31, 2015 Statements of Net Position as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Totals
Equity in pooled cash and investments	\$ 54,969,309	\$ 2,640,154	\$ 2,807,626	\$ 60,417,089
Cash and investments	1,262,964	-	-	1,262,964
Cash and investments held by trustee	3,876,897	-	-	3,876,897
	<u>\$ 60,109,170</u>	<u>\$ 2,640,154</u>	<u>\$ 2,807,626</u>	<u>\$ 65,556,950</u>

	Equity in Pool	Cash and Investments	Investments Held in Escrow	Totals
Cash on hand	\$ -	\$ 9,050	\$ -	\$ 9,050
Cash deposits	7,862,099	1,253,914	-	9,116,013
Investments	52,554,990	-	3,876,897	56,431,887
	<u>\$ 60,417,089</u>	<u>\$ 1,262,964</u>	<u>\$ 3,876,897</u>	<u>\$ 65,556,950</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, 2015, 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, 2015, the Town's investment balances were as follows:

Sector	% of Total	Market Value	Maturities		
			Less than 1 year	1-3 years	3-5 years
Agency	15.93%	\$ 8,987,368	\$ 998,588	\$ 7,485,032	\$ 503,748
US Corporate	5.31%	2,994,294	503,068	2,491,226	-
US Treasury	5.30%	2,989,825	1,000,586	994,102	995,137
Municipal Bonds	0.88%	498,920	-	498,920	-
Supranational	0.88%	494,331	-	494,331	-
CSAFE	64.59%	36,448,141	36,448,141	-	-
COLOTRUST	0.25%	142,111	142,111	-	-
Wells Fargo Trust	6.68%	3,770,584	3,770,584	-	-
Great West Fund	0.19%	106,313	106,313	-	-
	100.00%	\$ 56,431,887	\$ 42,969,391	\$ 11,963,611	\$ 1,498,885

Concentration of Credit

Issuer Name	Cost	Market Value	Ratings		% of Total
			Moody	SP	
Federal Home Loan Mortgage Corp	3,508,889	3,494,969	Aaa	AA+	6.19%
Federal National Mortgage Association	3,008,780	2,998,068	Aaa	AA+	5.31%
Government of the United States	3,017,526	2,989,825	Aaa	AA+	5.30%
Federal Home Loan Bank	2,001,320	1,994,322	Aaa	AA+	3.53%
Johnson & Johnson	517,315	503,068	Aaa	AAA	0.89%
Berkshire Hathaway	502,565	500,813	Aa2	AA	0.89%
Federal Farm Credit Bank	500,000	500,010	Aaa	AA+	0.89%
Toyota Motor Corp	500,296	499,160	Aa3	AA-	0.88%
New York St Urban Development	500,175	498,920	Aa1	AAA	0.88%
Wells Fargo Corp	498,705	497,870	A2	A	0.88%
Chevron Texaco Corp	502,515	497,446	Aa1	AA	0.88%
Apple Inc	494,320	495,938	AA1	AA+	0.88%
Intl Bank Recon and Development	499,150	494,329	Aaa	AAA	0.88%
CSAFE Investment Pool	36,448,141	36,448,141	NR	AAAm	64.59%
ColoTrust Investment Pool	142,111	142,111	NR	AAAm	0.25%
Wells Fargo Trust	3,770,584	3,770,584	AA-	Aa3	6.68%
Great West Guaranteed Interest Fund	106,313	106,313		AAA	0.19%

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, 2015, the Town had \$22,800 invested in COLOTRUST PRIME and \$119,311 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, 2015, \$3,770,584 Certificate of Participation Series 2009 reserve funds are currently being invested in COLOTRUST PLUS+.

B. Capital assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 71,786,435	\$ 16,440,320	\$ (665,371)	\$ -	\$ 87,561,384
Intangible assets	239,132,254	81,650	(121,728)	-	239,092,176
Construction in progress	25,966,169	18,527,186	(15,218)	(21,662,662)	22,815,475
Total capital assets not being depreciated	<u>336,884,858</u>	<u>35,049,156</u>	<u>(802,317)</u>	<u>(21,662,662)</u>	<u>349,469,035</u>
Capital assets being depreciated:					
Buildings	66,750,391	-	-	15,028,560	81,778,951
Improvements other than buildings	35,374,208	266,638	-	4,347,709	39,988,555
Infrastructure	305,086,254	1,564,266	-	2,286,393	308,936,913
Machinery and equipment	16,694,523	2,373,776	(419,496)	-	18,648,803
Total capital assets being depreciated	<u>423,905,376</u>	<u>4,204,680</u>	<u>(419,496)</u>	<u>21,662,662</u>	<u>449,353,222</u>
Less accumulated depreciation for:					
Buildings	(14,997,634)	(2,362,000)	-	-	(17,359,634)
Improvements other than buildings	(7,746,960)	(1,315,667)	-	-	(9,062,627)
Infrastructure	(138,812,696)	(11,306,876)	-	-	(150,119,572)
Machinery and equipment	(12,020,720)	(1,181,168)	348,794	-	(12,853,094)
Total accumulated depreciation	<u>(173,578,010)</u>	<u>(16,165,711)</u>	<u>348,794</u>	<u>-</u>	<u>(189,394,927)</u>
Total capital assets being depreciated, net	<u>250,327,366</u>	<u>(11,961,031)</u>	<u>(70,702)</u>	<u>21,662,662</u>	<u>259,958,295</u>
Governmental activities capital assets, net	<u>\$ 587,212,224</u>	<u>\$ 23,088,125</u>	<u>\$ (873,019)</u>	<u>\$ -</u>	<u>\$ 609,427,330</u>
Business-type activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 2,924,291	\$ 790,513	\$ -	\$ (2,534,291)	\$ 1,180,513
Capital assets being depreciated:					
Machinery and equipment	21,833	-	-	-	21,833
Infrastructure	6,566,168	-	-	2,534,291	9,100,459
Total capital assets being depreciated	<u>6,588,001</u>	<u>-</u>	<u>-</u>	<u>2,534,291</u>	<u>9,122,292</u>
Less accumulated depreciation for:					
Machinery and equipment	(7,862)	(3,105)	-	-	(10,967)
Infrastructure	(949,835)	(162,251)	-	-	(1,112,086)
Total accumulated depreciation	<u>(957,697)</u>	<u>(165,356)</u>	<u>-</u>	<u>-</u>	<u>(1,123,053)</u>
Total capital assets being depreciated, net	<u>5,630,304</u>	<u>(165,356)</u>	<u>-</u>	<u>2,534,291</u>	<u>7,999,239</u>
Business-type activities capital assets, net	<u>\$ 8,554,595</u>	<u>\$ 625,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,179,752</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 232,053
Public safety	797,489
Highways and Streets, including depreciation of general infrastructure assets	11,983,363
Culture and recreation	2,310,929
Capital assets held by the Town's internal service funds are charged to the various functions based on their usage of the assets	841,878
Total depreciation expense - governmental activities	<u>\$ 16,165,712</u>

Business-type activities:

Stormwater utility	<u>\$ 165,356</u>
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C. Open construction commitments

At December 31, 2015, the Town had the following open construction commitments:

Project	2015 Expenditures	Remaining Commitment	Project Total
101-4310-3445 Concrete Repair	\$ 913,631	\$ 23,739	\$ 937,370
203-4520-7210 Recreation Center Expansion	7,853,074	128,267	16,015,000
203-4520-7717 Norton Improvements	-	14,131	659,600
203-4520-7776 Douglas County Library/Civic Plaza Site	356,113	8,943,887	9,300,000
203-4520-7724 East/West Regional Trail	582,982	1,181,350	1,813,760
203-4520-7766 Dog Park/Disc Golf	39,840	1,226,925	1,275,000
203-4520-7779 Stroh Ranch Parking Lot	3,679	436,321	440,000
203-4520-7727 Rueter Hess Reservoir Recreational Opportunities	25,000	2,610,000	2,635,000
205-4545-7200 Schoolhouse Rehabilitation Project	318,499	1,091,545	1,560,280
301-4310-7566 Chamber Widening (Mainstreet to Hess)	178,909	11,250,000	11,715,533
301-4310-7610 Hess Road Widening (Motsenbocker to Leesburg)	153,275	10,000	4,370,534
301-4310-7612 Todd Drive (Jordan to Motsenbocker)	1,425,399	10,000	1,864,583
301-4310-7700 Power line Undergrounding	686,506	349,150	1,999,100
301-4310-7776 The Plaza on Main Site Development	1,916,715	2,199,170	4,305,785
301-4317-7210 Public Works Facility	5,280,679	566,741	16,000,000
501-4315-7839 Newlin Gulch Crossing at Parker Homestead	160,340	12,485	172,825
Total	<u>\$ 19,894,641</u>	<u>\$ 30,053,711</u>	<u>\$ 75,064,370</u>

D. Interfund transfers

This schedule summarizes the Town's interfund transfers for the year ended December 31, 2015:

	Transfers In:									Total Transfers In
	General Fund	Parks and Recreation Fund	PACE Fund	Recreation Fund	Schoolhouse Fund	Public Improvements Fund	Recreation Debt Service Fund	Debt Service Fund	Fleet Fund	
Transfers Out:										
General Fund	\$ -	\$ 3,500,000	\$ 1,500,000	\$ -	\$ -	\$ 191,370	\$ -	\$ 755,940	\$ -	\$ 5,947,310
Conservation Trust Fund	-	3,750,000	-	-	-	-	-	-	-	3,750,000
Parks and Recreation Fund	975,100	-	-	1,855,500	-	-	1,709,537	-	-	4,540,137
Excise Tax Fund	-	3,700,000	-	-	250,000	-	-	-	-	3,950,000
PD and PACE Construction Fund	25,478	-	-	-	-	-	-	-	-	25,478
Stormwater Utility Fund	-	-	-	-	-	-	-	185,455	-	185,455
Information Technology Fund	-	15,000	-	-	-	-	-	-	-	15,000
Facilities Fund	-	-	-	-	-	-	-	-	22,942	22,942
Total transfers out	<u>\$ 1,000,578</u>	<u>\$ 10,965,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,855,500</u>	<u>\$ 250,000</u>	<u>\$ 191,370</u>	<u>\$ 1,709,537</u>	<u>\$ 941,395</u>	<u>\$ 22,942</u>	<u>\$ 18,436,322</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.

E. Fund balance

Article X, Section 20 of the Constitution of the State of Colorado requires the Town to establish emergency reserves (see Note 5 Section B.2.). The amount required to be reserved at December 31, 2015 totaled \$1,826,000 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 \$886,579 is restricted for parks, recreation and open space and \$4,772,335 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, 2015 \$95,931 is restricted for highways and streets.

Certificates of Participation were issued in 2009. As of December 31, 2015 Wells Fargo Trust held \$3,770,584 in reserve funds for the 2009 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 \$12,845,595 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, 2015 fund balance totaled \$85,354 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, 2015 totaled \$4,833,721 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 \$276,795 for parks, recreation and open space for this purpose.

F. Long-term debt

1. Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows:

	January 1, 2015	Additions	Reductions	December 31, 2015	Due Within One Year
Governmental Activities					
Revenue bonds					
Sales and use tax, 2006	\$ 10,655,000	\$ -	\$ 10,655,000	\$ -	\$ -
Sales and use tax, 2015	-	9,880,000	-	9,880,000	895,000
Total revenue bonds	10,655,000	9,880,000	10,655,000	9,880,000	895,000
Certificates of participation					
Series 2009	39,490,000	-	1,265,000	38,225,000	1,300,000
Series 2014	19,520,000	-	725,000	18,795,000	740,000
Discount	(63,065)	-	(3,262)	(59,803)	(3,262)
Premium	662,143	-	34,249	627,894	34,249
Total certificates of participation	59,609,078	-	2,020,987	57,588,091	2,070,987
Compensated absences	1,477,811	1,526,647	(1,357,384)	1,647,074	823,538
Total governmental activities	<u>\$ 71,741,888</u>	<u>\$ 11,406,647</u>	<u>\$ 11,318,603</u>	<u>\$ 69,115,165</u>	<u>\$ 3,789,525</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, \$133,768 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 \$34,628 and a decrease of (\$35,919), bringing the fund's total liability to \$56,659.

At December 31, 2015, 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
2016	\$ 895,000	\$ 203,389	\$ 1,098,389
2017	915,000	183,341	1,098,341
2018	935,000	163,454	1,098,454
2019	955,000	143,136	1,098,136
2020	975,000	122,389	1,097,389
2021-2025	5,205,000	284,930	5,489,930
	<u>\$ 9,880,000</u>	<u>\$ 1,100,639</u>	<u>\$ 10,980,639</u>

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

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

Authorized General Obligation Debt

In the November 6, 2001 election, voters authorized the issuance of \$12.5 million of general obligation debt for the acquisition and preservation of open space and park land. As of December 31, 2015 this debt had not been issued.

3. Certificates of participation

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

Year	Principal	Interest	Total
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	2,295,000	2,776,171	5,071,171
2021-2025	12,730,000	12,150,041	24,880,041
2026-2030	15,580,000	8,248,144	23,828,144
2031-2035	17,870,000	3,222,918	21,092,918
	<u>\$ 57,020,000</u>	<u>\$ 38,397,514</u>	<u>\$ 95,417,514</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 were completed in 2015.

NOTE 5 OTHER INFORMATION

A. Risk management

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

B. Commitments and contingencies

1. 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 eight agreements under which the Town has future commitments. The payments are to come from 50% to 87% of sales tax in excess of a defined annual base, ranging between \$4,800 and \$850,000. The agreements have terms of three to eleven years, expiring between 2017 and 2024 or when the amount equal to a defined maximum shareback amount has been reimbursed, whichever comes first.

Taxes collected and due to developers as of December 31, 2015 amount to \$406,339. Future commitments under these agreements amount to approximately \$9.8 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, 2015 totaling \$1,826,000 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, 2015, there was one lawsuit pending in which the Town is involved. Town management and its legal counsel believes that an unfavorable outcome is not likely.

C. Employee benefits

1. Colorado Fire and Police Pension Association (FPPA)

Plan Information

Plan Description

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

Description of Benefits

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of the credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliates Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007 members currently covered under Social Security will receive half of the benefits when compared to the Statewide Defined Benefit Plan. Benefits

paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

Contributions

Contribution rates for the Statewide Defined Benefit Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. Members of this Plan and their employer were contributing 8% of base salary for a total contribution rate of 16% through 2014. The members elected to increase the member contribution rate beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022. The member contribution rate for 2015 was 8.5% and for 2016 is 9%.

Net Pension Asset

Actuarial Assumptions

The January 1, 2014 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2014. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments	0.0%
*Includes Inflation at	3.0%

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

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	40.0%	8.9%
Equity Long/Short	10.0%	7.5%
Illiquid Alternatives	18.0%	10.5%
Fixed Income	15.0%	4.6%
Absolute Return	12.0%	6.5%
Managed Futures	4.0%	5.5%
Cash	1.0%	2.5%
Total	100.0%	

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

Discount Rate

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest but not later than the measurement date of the “state & local bonds” rate from the Federal Reserve statistical release (H15)); and the resulting Single Discount Rate is 7.50%.

Changes in the Net Pension Liability (Asset)

Sensitivity Analysis

Regarding the sensitivity of the net pension liability (asset) to changes in the Single Discount Rate, the following presents the Town's proportionate share of the plan's net pension liability (asset) as of December 31, 2014, calculated using a Single Discount Rate of 7.50% as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that was one percent lower or one percent higher:

1% Decrease 6.50%	Single Discount Rate Assumption 7.50%	1% Increase 8.50%
\$1,147,147	\$(1,216,731)	\$(3,188,515)

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

At December 31, 2015, the Town reported an asset of \$1,216,731 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension asset to December 31, 2014. The Town's proportion of the net pension asset was based on the Town's contributions to FPPA for the calendar year 2014 relative to the total contributions of participating employers to FPPA. At December 31, 2014 the Town's proportion was 1.0781121827 percent which was an increase of 1.0443492090 percent from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Town recognized pension expense of \$61,435. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 25,064
Net difference between projected and actual earnings on pension plan investments	95,933	-
Changes in proportionate share	-	27,328
Contributions subsequent to measurement date	398,787	-
Total	\$ 494,720	\$ 52,392

\$398,787 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

	Total
2016	\$ 3,857
2017	3,857
2018	3,857
2019	3,857
2020	3,857
2021	3,857
2022	3,857
2023	3,857
2024	3,857
2025	5,159
2026	3,669
Totals	\$ 43,541

FPPA Death and Disability Insurance

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

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

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:

2. Parker defined contribution retirement plan

Full-time employees not covered under FPPA are covered by a mandatory defined contribution retirement plan (401a) established by the Town and maintained and administered by Empower Retirement Company. At December 31, 2015, there were 237 active plan members. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees become plan members immediately upon employment. Under this plan, plan members contribute 8% of their compensation with a matching 10% from the Town. The Town’s

contributions plus earnings on those contributions become vested at a rate of 20% per year of employment service. Town contributions for plan members who leave employment before they are fully vested can be used to reduce the Town's current period contribution requirement. In 2015, the Town utilized \$898,487 forfeiture funds to reduce the \$1,365,620 Town contribution. 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>
2015	\$1,063,628	\$ 467,133	\$1,530,761
2014	968,634	1,245,723	2,214,357
2013	912,475	1,176,213	2,088,688

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 \$(62,666) at December 31, 2015. 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 Fleet Services Fund reported an unrestricted net position deficit of \$(354,840) at December 31, 2015 which will be covered by operating revenue in 2016.

B. Exceeded budgeted expenditures

The Fleet Services Fund exceeded budgeted expenditures in 2015 by \$109,397 due to late expenditures. Due to the timing of the expenditures, the Town was unable to complete a supplemental appropriation for the budget deficiency.

The Greater Parker Foundation Fund exceeded budgeted expenditures in 2015 by \$6,707 due to distributing more donations to the Cultural Fund than expected. Due to the timing of the

expenditures, the Town was unable to complete a supplemental appropriation for the budget deficiency.

C. New applicable GASB standards

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

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

C. Restatement of net position

The Town participates in the cost-sharing multiple-employer defined benefit pension plan administered by FPPA. The Town adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions (Statement No. 68) and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68 (Statement No. 71) for the year ended December 31, 2015. Statement No. 68 requires the Town to record their proportionate share of the pension asset or unfunded pension liability of the pension plan. The Town has restated beginning net position of the government-wide financial statements, by increasing the amount as of January 1, 2015 by \$1,321,707.

The Town also restated beginning net position by recognizing the Town contributions that were being held by Empower Retirement from employees who did not fully vest in their 401(a) plan. These funds are available for the Town to use for future contributions. The beginning net position of the government-wide financials statements was increased by \$1,004,800 as of January 1, 2015.

Beginning Net Position, as previously reported at January 1, 2015	\$ 577,640,775
Forfeited retirement contributions	1,004,800
GASB Statement No. 68 Implementation:	
Deferred outflows of resources - Town contributions made January 1, 2014 through December 31, 2014	387,864
Net pension asset at December 31, 2013 (measurement date)	<u>933,843</u>
Net position, January 1, 2015 as restated	<u><u>\$ 579,967,282</u></u>



PARKER
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REQUIRED SUPPLEMENTARY INFORMATION

Defined Benefit Pension Plan Schedules

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

Schedule of Contributions



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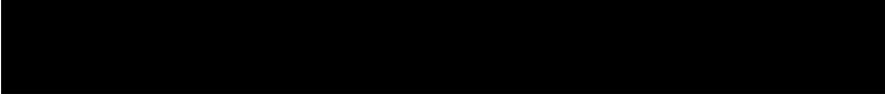
Schedule of the Proportionate Share of the Net Pension Liability (Asset)
FPPA Pension Plan
Last Ten Years*

	<u>2014</u>	<u>2015</u>
Proportion of the net pension liability (asset)	1.044%	1.078%
Proportionate share of the net pension liability (asset)	\$ (933,843)	\$ (1,216,731)
Covered employee payroll	\$ 4,860,850	\$ 4,984,838
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-19.212%	-24.409%
Plan fiduciary net position as a percentage of the total pension liability	105.831%	106.828%
Total pension liability (asset)	\$ 16,016,465	\$ 17,820,128
Plan fiduciary net position	<u>16,950,308</u>	<u>19,036,859</u>
Net pension liability (asset)	<u><u>\$ (933,843)</u></u>	<u><u>\$ (1,216,731)</u></u>

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

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

	<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>	<u>2015</u>
Statutorily required contribution	\$ 260,121	\$ 288,725	\$ 314,856	\$ 326,744	\$ 326,744	\$ 341,789	\$ 351,142	\$ 362,859	\$ 388,868	\$ 398,787
Contributions in relation to the statutorily required contribution	<u>260,121</u>	<u>288,725</u>	<u>314,856</u>	<u>326,744</u>	<u>326,744</u>	<u>341,789</u>	<u>351,142</u>	<u>362,859</u>	<u>388,868</u>	<u>398,787</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Employer's covered-employee payroll	\$3,251,513	\$3,609,063	\$3,935,700	\$4,084,300	\$4,084,300	\$4,272,363	\$4,389,275	\$4,535,738	\$4,860,850	\$4,984,838
Contributions as a percentage of covered employee payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%



**COMBINING AND
INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES**



PARKER
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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.

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, 2015

	<u>Special Revenue</u>			
	<u>Conservation Trust</u>	<u>Law Enforcement Assistance</u>	<u>Greater Parker Foundation</u>	<u>Total Special Revenue</u>
ASSETS				
Equity in pooled cash and investments	\$ -	\$ 234,831	\$ -	\$ 234,831
Cash and investments	276,795	-	68,813	345,608
Investment earnings receivable	-	144	-	144
Accounts receivable	-	237	10,000	10,237
Prepaid items	-	-	-	-
Total assets	<u>\$ 276,795</u>	<u>\$ 235,212</u>	<u>\$ 78,813</u>	<u>\$ 590,820</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 8,956	\$ 47,608	\$ 56,564
Intergovernmental payables	-	-	-	-
Other Current Liabilities	-	140,902	-	140,902
Unearned revenue	-	-	-	-
Total liabilities	-	149,858	47,608	197,466
Fund balances				
Non-spendable:				
Prepaid items	-	-	-	-
Restricted:				
Parks, recreation and open space	276,795	-	-	276,795
Law enforcement	-	85,354	-	85,354
Culture	-	-	31,205	31,205
Highways and streets	-	-	-	-
Streets, parks, recreation and facilities	-	-	-	-
Assigned:				
Parks, recreation and open space	-	-	-	-
Police Station/PACE Center construction	-	-	-	-
Unassigned:				
Total fund balances	<u>276,795</u>	<u>85,354</u>	<u>31,205</u>	<u>393,354</u>
Total liabilities and fund balances	<u>\$ 276,795</u>	<u>\$ 235,212</u>	<u>\$ 78,813</u>	<u>\$ 590,820</u>

(continued)

TOWN OF PARKER, COLORADO
Other (Non-major) Governmental Funds
Combining Balance Sheet (continued)
December 31, 2015

<u>Capital Projects</u>					
Excise Tax	PD/PACE Construction	Parkglenn Construction	Total Capital Projects	Total Other Governmental Funds	
\$ 4,830,631	\$ -	\$ 199,991	\$ 5,030,622	\$ 5,265,453	
-	-	-	-	345,608	
3,090	-	128	3,218	3,362	
-	-	-	-	10,237	
-	-	-	-	-	
<u>\$ 4,833,721</u>	<u>\$ -</u>	<u>\$ 200,119</u>	<u>\$ 5,033,840</u>	<u>\$ 5,624,660</u>	
\$ -	\$ -	\$ -	\$ -	\$ 56,564	
-	-	-	-	-	
-	-	-	-	140,902	
-	-	-	-	-	
-	-	-	-	197,466	
-	-	-	-	-	
-	-	-	-	276,795	
-	-	-	-	85,354	
-	-	-	-	31,205	
-	-	200,119	200,119	200,119	
4,833,721	-	-	4,833,721	4,833,721	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>4,833,721</u>	<u>-</u>	<u>200,119</u>	<u>5,033,840</u>	<u>5,427,194</u>	
<u>\$ 4,833,721</u>	<u>\$ -</u>	<u>\$ 200,119</u>	<u>\$ 5,033,840</u>	<u>\$ 5,624,660</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, 2015

	<u>Special Revenue</u>			
	<u>Conservation Trust</u>	<u>Law Enforcement Assistance</u>	<u>Greater Parker Foundation</u>	
REVENUES				
Excise tax - new development	\$ -	\$ -	\$ -	\$ -
Intergovernmental	401,810	48,800	-	450,610
Charges for services	-	3,089	-	3,089
Fines and forfeitures	-	81,797	-	81,797
Net investment earnings	353	1,155	-	1,508
Miscellaneous	-	237	69,840	70,077
	<u>402,163</u>	<u>135,078</u>	<u>69,840</u>	<u>607,081</u>
EXPENDITURES				
Current				
Public safety	-	195,200	-	195,200
Economic development	-	-	-	-
Culture and recreation	-	-	50,707	50,707
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal charges	-	-	-	-
Capital outlay	-	88,775	-	88,775
Total expenditures	<u>-</u>	<u>283,975</u>	<u>50,707</u>	<u>334,682</u>
Excess (deficiency) of revenues over (under) expenditures	<u>402,163</u>	<u>(148,897)</u>	<u>19,133</u>	<u>272,399</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(3,750,000)	-	-	(3,750,000)
Total other financing sources (uses)	<u>(3,750,000)</u>	<u>-</u>	<u>-</u>	<u>(3,750,000)</u>
Net change in fund balances	(3,347,837)	(148,897)	19,133	(3,477,601)
Fund balances - January 1	3,624,632	234,251	12,072	3,870,955
Fund balances - December 31	<u>\$ 276,795</u>	<u>\$ 85,354</u>	<u>\$ 31,205</u>	<u>\$ 393,354</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, 2015

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	
\$ 2,064,824	\$ -	\$ -	\$ 2,064,824	\$ -	\$ -	\$ -	\$ 2,064,824
-	-	-	-	-	-	-	450,610
-	-	-	-	-	-	-	3,089
-	-	-	-	-	-	-	81,797
10,031	156	546	10,733	-	-	-	12,241
-	-	-	-	-	-	-	70,077
<u>2,074,855</u>	<u>156</u>	<u>546</u>	<u>2,075,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,682,638</u>
-	12,790	-	12,790	-	-	-	207,990
-	-	-	-	-	-	-	-
-	5,387	-	5,387	-	-	-	56,094
-	-	-	-	478,500	1,021,500	1,500,000	1,500,000
-	-	-	-	462,895	687,899	1,150,794	1,150,794
-	-	-	-	-	138	138	138
-	10,755	-	10,755	-	-	-	99,530
-	28,932	-	28,932	941,395	1,709,537	2,650,932	3,014,546
<u>2,074,855</u>	<u>(28,776)</u>	<u>546</u>	<u>2,046,625</u>	<u>(941,395)</u>	<u>(1,709,537)</u>	<u>(2,650,932)</u>	<u>(331,908)</u>
-	-	-	-	941,395	1,709,537	2,650,932	2,650,932
<u>(3,950,000)</u>	<u>(25,478)</u>	<u>-</u>	<u>(3,975,478)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,725,478)</u>
<u>(3,950,000)</u>	<u>(25,478)</u>	<u>-</u>	<u>(3,975,478)</u>	<u>941,395</u>	<u>1,709,537</u>	<u>2,650,932</u>	<u>(5,074,546)</u>
(1,875,145)	(54,254)	546	(1,928,853)	-	-	-	(5,406,454)
6,708,866	54,254	199,573	6,962,693	-	-	-	10,833,648
<u>\$ 4,833,721</u>	<u>\$ -</u>	<u>\$ 200,119</u>	<u>\$ 5,033,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,427,194</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 431,000	\$ 431,000	\$ 401,810	\$ (29,190)
Net investment earnings	9,900	9,900	353	(9,547)
Total revenues	<u>440,900</u>	<u>440,900</u>	<u>402,163</u>	<u>(38,737)</u>
OTHER FINANCING USES				
Transfers out	<u>(3,750,000)</u>	<u>(3,750,000)</u>	<u>(3,750,000)</u>	<u>-</u>
Net change in fund balance	(3,309,100)	(3,309,100)	(3,347,837)	(38,737)
Fund balance - January 1	<u>3,631,836</u>	<u>3,624,632</u>	<u>3,624,632</u>	<u>-</u>
Fund balance - December 31	<u>\$ 322,736</u>	<u>\$ 315,532</u>	<u>\$ 276,795</u>	<u>\$ (38,737)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 48,800	\$ 6,800
Charges for services	4,100	4,100	3,089	(1,011)
Fines and forfeitures	90,000	90,000	81,797	(8,203)
Net investment earnings	400	400	1,155	755
Miscellaneous	-	-	237	237
	<u>136,500</u>	<u>136,500</u>	<u>135,078</u>	<u>(1,422)</u>
EXPENDITURES				
Current				
Public safety	115,400	115,400	195,200	(79,800)
Capital outlay	60,000	175,233	88,775	86,458
Total expenditures	<u>175,400</u>	<u>290,633</u>	<u>283,975</u>	<u>6,658</u>
Net change in fund balance	(38,900)	(154,133)	(148,897)	5,236
Fund balance - January 1	121,414	234,251	234,251	-
Fund balance - December 31	<u>\$ 82,514</u>	<u>\$ 80,118</u>	<u>\$ 85,354</u>	<u>\$ 5,236</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 76,500	\$ 76,500	\$ 69,840	\$ (6,660)
EXPENDITURES				
Culture and recreation	44,000	44,000	50,707	(6,707)
Net change in fund balance	32,500	32,500	19,133	(13,367)
Fund balance - January 1	11,142	12,072	12,072	-
Fund balance - December 31	<u>\$ 43,642</u>	<u>\$ 44,572</u>	<u>\$ 31,205</u>	<u>\$ (13,367)</u>

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,436,133	\$ 2,436,133	\$ 2,686,658	\$ 250,525
Intergovernmental	2,729,400	2,729,400	3,060,654	331,254
Contributions	6,499,000	6,699,268	2,972,674	(3,726,594)
Net investment earnings	30,000	30,000	52,868	22,868
Miscellaneous	-	-	1,197	1,197
Total revenues	<u>11,694,533</u>	<u>11,894,801</u>	<u>8,774,051</u>	<u>(3,120,750)</u>
EXPENDITURES				
Current				
Highways and streets	-	-	1,295,842	(1,295,842)
Economic development	-	-	-	-
Building	-	-	354,684	(354,684)
Capital outlay				
Highways and streets	11,950,000	18,733,182	4,938,672	13,794,510
Building	5,163,675	4,944,410	4,911,042	33,368
Total expenditures	<u>17,113,675</u>	<u>23,677,592</u>	<u>11,500,240</u>	<u>12,177,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,419,142)</u>	<u>(11,782,791)</u>	<u>(2,726,189)</u>	<u>9,056,602</u>
OTHER FINANCING SOURCES				
Transfers in	391,638	391,638	191,370	(200,268)
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources	<u>391,638</u>	<u>391,638</u>	<u>191,370</u>	<u>(200,268)</u>
Net change in fund balance	(5,027,504)	(11,391,153)	(2,534,819)	8,856,334
Fund balance - January 1	<u>12,119,918</u>	<u>17,165,470</u>	<u>17,165,470</u>	<u>-</u>
Fund balance - December 31	<u>\$ 7,092,414</u>	<u>\$ 5,774,317</u>	<u>\$ 14,630,651</u>	<u>\$ 8,856,334</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Excise tax - new development	\$ 1,684,900	\$ 1,684,900	\$ 2,064,824	\$ 379,924
Net investment earnings	26,300	26,300	10,031	(16,269)
Total revenues	<u>1,711,200</u>	<u>1,711,200</u>	<u>2,074,855</u>	<u>363,655</u>
OTHER FINANCING USES				
Transfers out	(3,950,000)	(3,950,000)	(3,950,000)	-
Net change in fund balance	(2,238,800)	(2,238,800)	(1,875,145)	363,655
Fund balance - January 1	6,401,443	6,708,866	6,708,866	-
Fund balance - December 31	<u>\$ 4,162,643</u>	<u>\$ 4,470,066</u>	<u>\$ 4,833,721</u>	<u>\$ 363,655</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Net investment earnings	\$ 300	\$ 300	\$ 156	\$ (144)
Total revenues	<u>300</u>	<u>300</u>	<u>156</u>	<u>(144)</u>
EXPENDITURES				
Current				
Public safety	-	-	12,790	(12,790)
Culture and recreation	-	-	5,387	(5,387)
Capital outlay				
Public safety	-	27,212	10,755	16,457
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>27,212</u>	<u>28,932</u>	<u>(1,720)</u>
Deficiency of revenues under expenditures	<u>300</u>	<u>(26,912)</u>	<u>(28,776)</u>	<u>(1,864)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(27,342)	(25,478)	1,864
	<u>-</u>	<u>(27,342)</u>	<u>(25,478)</u>	<u>1,864</u>
Net change in fund balance	300	(54,254)	(54,254)	-
Fund balance - January 1	63,861	54,254	54,254	-
Fund balance - December 31	<u>\$ 64,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Net investment earnings	\$ 661	\$ 661	\$ 546	\$ (115)
OTHER FINANCING USES				
Transfers out	(200,268)	(200,268)	-	200,268
Net change in fund balance	(199,607)	(199,607)	546	200,153
Fund balance - January 1	199,607	199,573	199,573	-
Fund balance - December 31	<u>\$ -</u>	<u>\$ (34)</u>	<u>\$ 200,119</u>	<u>\$ 200,153</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt Service				
Principal	\$ 478,500	\$ 478,500	\$ 478,500	\$ -
Interest	462,895	462,895	462,895	-
Total expenditures	<u>941,395</u>	<u>941,395</u>	<u>941,395</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(941,395)</u>	<u>(941,395)</u>	<u>(941,395)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	<u>941,395</u>	<u>941,395</u>	<u>941,395</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service				
Principal	\$ 1,021,500	\$ 1,021,500	\$ 1,021,500	\$ -
Interest	687,938	687,938	687,899	39
Fiscal charges	2,000	2,000	138	1,862
Total expenditures	<u>1,711,438</u>	<u>1,711,438</u>	<u>1,709,537</u>	<u>1,901</u>
Deficiency of revenues under expenditures	<u>(1,711,438)</u>	<u>(1,711,438)</u>	<u>(1,709,537)</u>	<u>1,901</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,711,438</u>	<u>1,711,438</u>	<u>1,709,537</u>	<u>(1,901)</u>
Net change in fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

TOWN OF PARKER, COLORADO
Internal Service Funds
Combining Statement of Net Position
December 31, 2015

	<u>Fleet Services</u>	<u>Technology Management</u>	<u>Facility Services</u>	<u>Medical Benefits</u>	<u>Total</u>
ASSETS					
Current assets					
Equity in pooled cash and investments	\$ -	\$ 773,634	\$ 160,484	\$ 604,980	\$ 1,539,098
Investment earnings receivable	-	495	103	387	985
Accounts receivable	19,850	39,424	263	3	59,540
Prepaid items	-	78,241	-	-	78,241
Inventory	43,615	-	-	-	43,615
Total current assets	<u>63,465</u>	<u>891,794</u>	<u>160,850</u>	<u>605,370</u>	<u>1,721,479</u>
Capital assets					
Intangible assets	-	652,289	-	-	652,289
Machinery and equipment	9,655,638	2,936,623	-	-	12,592,261
Improvements other than buildings	-	15,929	-	-	15,929
Accumulated depreciation	(6,446,670)	(2,578,004)	-	-	(9,024,674)
Capital assets net of accumulated depreciation	<u>3,208,968</u>	<u>1,026,837</u>	<u>-</u>	<u>-</u>	<u>4,235,805</u>
Total assets	<u>3,272,433</u>	<u>1,918,631</u>	<u>160,850</u>	<u>605,370</u>	<u>5,957,284</u>
LIABILITIES					
Current liabilities					
Accounts payable and other current liabilities	50,041	77,373	59,547	139,608	326,569
Checks issued in excess of available cash	342,153	-	-	-	342,153
Compensated absences	26,111	88,050	19,607	-	133,768
Total liabilities	<u>418,305</u>	<u>165,423</u>	<u>79,154</u>	<u>139,608</u>	<u>802,490</u>
NET POSITION					
Net investment in capital assets	3,208,968	1,026,837	-	-	4,235,805
Unrestricted	(354,840)	726,371	81,696	465,762	918,989
Total net position	<u>\$ 2,854,128</u>	<u>\$ 1,753,208</u>	<u>\$ 81,696</u>	<u>\$ 465,762</u>	<u>\$ 5,154,794</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, 2015

	<u>Fleet Services</u>	<u>Technology Management</u>	<u>Facility Services</u>	<u>Medical Benefits</u>	<u>Total</u>
OPERATING REVENUES					
Charges for sales and services	\$ 1,493,749	\$ 2,789,449	\$ 918,455	\$ 2,212,034	\$ 7,413,687
Miscellaneous	1,919	2,911	341	50,410	55,581
Total operating revenues	<u>1,495,668</u>	<u>2,792,360</u>	<u>918,796</u>	<u>2,262,444</u>	<u>7,469,268</u>
OPERATING EXPENSES					
Cost of sales and services	909,949	2,353,828	770,080	1,798,343	5,832,200
Depreciation	745,728	96,150	-	-	841,878
Total operating expenses	<u>1,655,677</u>	<u>2,449,978</u>	<u>770,080</u>	<u>1,798,343</u>	<u>6,674,078</u>
Operating income (loss)	<u>(160,009)</u>	<u>342,382</u>	<u>148,716</u>	<u>464,101</u>	<u>795,190</u>
NON-OPERATING REVENUES					
Net investment earnings	210	1,220	(158)	1,661	2,933
Insurance recoveries	3,384	-	-	-	3,384
Gain (loss) on disposal of asset	85,506	-	-	-	85,506
Total non-operating revenue	<u>89,100</u>	<u>1,220</u>	<u>(158)</u>	<u>1,661</u>	<u>91,823</u>
Income before contributions and transfers	(70,909)	343,602	148,558	465,762	887,013
Capital contributions	435,351	132,518	-	-	567,869
Transfers in	22,942	-	-	-	22,942
Transfers out	-	(15,000)	(22,942)	-	(37,942)
Changes in net position	387,384	461,120	125,616	465,762	1,439,882
Total net position - January 1	<u>2,466,744</u>	<u>1,292,088</u>	<u>(43,920)</u>	<u>-</u>	<u>3,714,912</u>
Total net position - December 31	<u>\$ 2,854,128</u>	<u>\$ 1,753,208</u>	<u>\$ 81,696</u>	<u>\$ 465,762</u>	<u>\$ 5,154,794</u>

TOWN OF PARKER, COLORADO
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2015

	<u>Fleet Services</u>	<u>Technology Management</u>	<u>Facility Services</u>	<u>Medical Benefits</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,540,090	\$ 2,793,583	\$ 918,384	\$ 2,212,031	\$ 7,464,088
Receipts from others	1,919	2,911	341	50,410	55,581
Payments to suppliers	(540,267)	(1,391,507)	(246,166)	(1,658,735)	(3,836,675)
Payments to employees	(347,158)	(947,283)	(492,766)	-	(1,787,207)
Net cash provided (used) by operating activities	<u>654,584</u>	<u>457,704</u>	<u>179,793</u>	<u>603,706</u>	<u>1,895,787</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipts from the sale of assets	85,506	-	-	-	85,506
Insurance recoveries	3,384	-	-	-	3,384
Transfer out to fleet fund	22,942	-	(22,942)	-	-
Transfer out to recreation fund	-	(15,000)	-	-	(15,000)
Purchases of capital assets	(1,119,180)	(134,859)	-	-	(1,254,039)
Net cash provided (used) by capital and related financing activities	<u>(1,007,348)</u>	<u>(149,859)</u>	<u>(22,942)</u>	<u>-</u>	<u>(1,180,149)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Net investment earnings received	215	965	(259)	1,274	2,195
Net cash provided (used) by investing activities	<u>215</u>	<u>965</u>	<u>(259)</u>	<u>1,274</u>	<u>2,195</u>
Net increase (decrease) in cash and cash equivalents	(352,549)	308,810	156,592	604,980	717,833
Equity in pooled cash and cash equivalents - January 1	10,396	464,824	3,892	-	479,112
Equity in pooled cash and cash equivalents - December 31	<u>\$ (342,153)</u>	<u>\$ 773,634</u>	<u>\$ 160,484</u>	<u>\$ 604,980</u>	<u>\$ 1,196,945</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	<u>\$ (160,009)</u>	<u>\$ 342,382</u>	<u>\$ 148,716</u>	<u>\$ 464,101</u>	<u>\$ 795,190</u>
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation expense	745,728	96,150	-	-	841,878
Changes in current assets and liabilities:					
Inventory	(651)	-	-	-	(651)
Prepaid items	5,232	(8,043)	8,275	-	5,464
Accounts receivable	46,341	4,134	(71)	(3)	50,401
Accounts payable	6,303	10,312	19,654	139,608	175,877
Compensated absences and wages payable	11,640	12,769	3,219	-	27,628
Total adjustments	<u>814,593</u>	<u>115,322</u>	<u>31,077</u>	<u>139,605</u>	<u>1,100,597</u>
Net cash provided (used) by operating activities	<u>\$ 654,584</u>	<u>\$ 457,704</u>	<u>\$ 179,793</u>	<u>\$ 603,706</u>	<u>\$ 1,895,787</u>
NONCASH CAPITAL ACTIVITIES:					
Contributions of capital assets	<u>\$ 458,293</u>	<u>\$ 132,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590,811</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,459,065	\$ 1,459,065	\$ 1,493,749	\$ 34,684
Net investment earnings	1,200	1,200	210	(990)
Insurance recoveries	-	-	3,384	3,384
Gain on sale of disposal of asset	-	-	85,506	85,506
Miscellaneous	-	-	1,919	1,919
Total revenues	<u>1,460,265</u>	<u>1,460,265</u>	<u>1,584,768</u>	<u>124,503</u>
EXPENDITURES				
Current				
Fleet services	806,790	806,790	909,949	(103,159)
Capital outlay	<u>960,000</u>	<u>1,090,000</u>	<u>1,119,180</u>	<u>(29,180)</u>
Total expenditures	<u>1,766,790</u>	<u>1,896,790</u>	<u>2,029,129</u>	<u>(132,339)</u>
OTHER FINANCING USES				
Transfers in	<u>-</u>	<u>-</u>	<u>22,942</u>	<u>(22,942)</u>
Excess (deficiency) of revenues over (under) expenditures	(306,525)	(436,525)	(421,419)	(7,836)
Funds available for appropriation - January 1	<u>2,777,046</u>	<u>66,579</u>	<u>66,579</u>	<u>-</u>
Funds available for appropriation - December 31	<u>\$ 2,470,521</u>	<u>\$ (369,946)</u>	<u>(354,840)</u>	<u>\$ (7,836)</u>
Reconciliation of funds available to net position				
Add				
Capital assets			<u>3,208,968</u>	
Net position - December 31			<u>\$ 2,854,128</u>	
Funds available at December 31 is computed as follows:				
Current assets			\$ 63,465	
Current liabilities			<u>(418,305)</u>	
Funds available - December 31			<u>\$ (354,840)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,642,075	\$ 2,642,075	\$ 2,789,449	\$ 147,374
Net investment earnings	100	100	1,220	1,120
Miscellaneous	-	-	2,911	2,911
Total revenues	<u>2,642,175</u>	<u>2,642,175</u>	<u>2,793,580</u>	<u>151,405</u>
EXPENDITURES				
Current				
Technology management services	2,469,031	3,004,881	2,353,828	651,053
Capital outlay	<u>201,500</u>	<u>506,850</u>	<u>134,859</u>	<u>371,991</u>
Total expenditures	<u>2,670,531</u>	<u>3,511,731</u>	<u>2,488,687</u>	<u>1,023,044</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(28,356)	(884,556)	289,893	1,174,449
Funds available for appropriation - January 1	<u>248,282</u>	<u>436,478</u>	<u>436,478</u>	<u>-</u>
Funds available for appropriation - December 31	<u>\$ 219,926</u>	<u>\$ (448,078)</u>	726,371	<u>\$ 1,174,449</u>
Reconciliation of funds available to net position				
Add				
Capital assets			<u>1,026,837</u>	
Net position - December 31			<u>\$ 1,753,208</u>	
Funds available at December 31 is computed as follows:				
Current assets			\$ 891,794	
Current liabilities			<u>(165,423)</u>	
Funds available - December 31			<u>\$ 726,371</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 891,100	\$ 891,100	\$ 918,455	\$ 27,355
Net investment earnings	100	100	(158)	(258)
Miscellaneous	-	-	341	341
Total revenues	<u>891,200</u>	<u>891,200</u>	<u>918,638</u>	<u>27,438</u>
EXPENDITURES				
Current				
Facility Services	<u>839,008</u>	<u>839,008</u>	<u>770,080</u>	<u>68,928</u>
Total expenditures	<u>839,008</u>	<u>839,008</u>	<u>770,080</u>	<u>68,928</u>
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>22,942</u>	<u>(22,942)</u>
Excess (deficiency) of revenues over (under) expenditures	52,192	52,192	125,616	96,366
Funds available for appropriation - January 1	<u>(25,966)</u>	<u>(43,920)</u>	<u>(43,920)</u>	<u>-</u>
Funds available for appropriation - December 31	<u>\$ 26,226</u>	<u>\$ 8,272</u>	<u>81,696</u>	<u>\$ 96,366</u>
Reconciliation of funds available to net position				
Add				
Capital assets			<u>-</u>	
Net position - December 31			<u>\$ 81,696</u>	
Funds available at December 31, is computed as follows:				
Current assets			\$ 160,850	
Current liabilities			<u>(79,154)</u>	
Funds available - December 31			<u>\$ 81,696</u>	

TOWN OF PARKER, COLORADO
Statement of Revenues, Expenditures, and Changes in Funds Available - Budgetary Basis
Health Benefits Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,656,386	\$ 2,656,386	\$ 2,212,034	\$ (444,352)
Net investment earnings	1,900	1,900	1,661	(239)
Gain on sale of disposal of asset	-	-	-	-
Miscellaneous	-	-	50,410	50,410
Total revenues	<u>2,658,286</u>	<u>2,658,286</u>	<u>2,264,105</u>	<u>(394,181)</u>
EXPENDITURES				
Current				
Health benefits	<u>2,040,000</u>	<u>2,040,000</u>	<u>1,798,343</u>	<u>241,657</u>
Excess (deficiency) of revenues over (under) expenditures	618,286	618,286	465,762	(152,524)
Funds available for appropriation - January 1	-	-	-	-
Funds available for appropriation - December 31	<u>\$ 618,286</u>	<u>\$ 618,286</u>	465,762	<u>\$ (152,524)</u>
Reconciliation of funds available to net position				
Add				
Capital assets			-	
Net position - December 31			<u>\$ 465,762</u>	
Funds available at December 31, is computed as follows:				
Current assets			\$ 605,370	
Current liabilities			(139,608)	
Funds available - December 31			<u>\$ 465,762</u>	



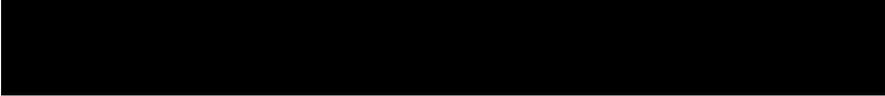
ENTERPRISE FUND

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,906,900	\$ 1,906,900	\$ 1,986,850	\$ 79,950
Net investment earnings	13,000	13,000	9,671	(3,329)
Contributions	-	-	421,861	421,861
Miscellaneous	-	-	272	272
Total revenues	<u>1,919,900</u>	<u>1,919,900</u>	<u>2,418,654</u>	<u>498,754</u>
EXPENDITURES				
Current				
Storm drainage	1,209,941	1,273,955	1,341,113	(67,158)
Capital outlay	<u>627,537</u>	<u>802,537</u>	<u>395,513</u>	<u>407,024</u>
Total expenditures	<u>1,837,478</u>	<u>2,076,492</u>	<u>1,736,626</u>	<u>339,866</u>
OTHER FINANCING USES				
Transfers out	<u>(185,426)</u>	<u>(185,426)</u>	<u>(185,455)</u>	<u>(29)</u>
Excess (deficiency) of revenues over (under) expenditures	(103,004)	(342,018)	496,573	158,859
Funds available for appropriation - January 1	<u>4,357,276</u>	<u>2,394,616</u>	<u>2,394,616</u>	<u>-</u>
Funds available for appropriation - December 31	<u>\$ 4,254,272</u>	<u>\$ 2,052,598</u>	<u>2,891,189</u>	<u>\$ 158,859</u>
Reconciliation of funds available to net position				
Add				
Capital assets			<u>9,179,752</u>	
Net position - December 31			<u>\$12,070,941</u>	
Funds available at December 31 is computed as follows:				
Current assets			\$ 3,098,257	
Current liabilities			<u>(207,068)</u>	
Funds available - December 31			<u>\$ 2,891,189</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, 2015

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
SECURITY ESCROW FUND				
ASSETS				
Equity in pooled cash and investments	\$ 2,358,611	\$ 1,282,957	\$ (833,942)	\$ 2,807,626
LIABILITIES				
Security escrows	\$ 2,358,611	\$ 2,485,824	\$ (2,036,809)	\$ 2,807,626
Total liabilities	\$ 2,358,611	\$ 2,485,824	\$ (2,036,809)	\$ 2,807,626



OTHER SCHEDULES

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



PARKER
C O L O R A D O

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

LOCAL HIGHWAY FINANCE REPORT		Town : Parker Colorado
		YEAR ENDING : December 2015
This Information From The Records Of : Town of Parker	Prepared By: Phone:	Donald Warn 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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	16,655,003
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,953,255
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,184,486
2. General fund appropriations		b. Snow and ice removal	410,780
3. Other local imposts (from page 2)	13,674,164	c. Other	224,061
4. Miscellaneous local receipts (from page 2)	319,639	d. Total (a. through c.)	1,819,327
5. Transfers from toll facilities		4. General administration & miscellaneous	217,922
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues	0	6. Total (1 through 5)	20,645,507
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	462,895
7. Total (1 through 6)	13,993,803	b. Redemption	478,500
B. Private Contributions	3,026,739	c. Total (a. + b.)	941,395
C. Receipts from State government		2. Notes:	
(from page 2)	1,543,906	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	18,564,448	3. Total (1.c + 2.c)	941,395
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	21,586,902

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	15,084,567	18,564,448	21,586,902	12,062,113	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2015

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,238,675	a. Interest on investments	53,413
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	9,165,490	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	266,226
5. Specific Ownership &/or Other	3,270,000	g. Other Misc. Receipts	
6. Total (1. through 5.)	12,435,489	h. Other	
c. Total (a. + b.)	13,674,164	i. Total (a. through h.)	319,639
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,384,719	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	159,187	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	159,187	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,543,906	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		1,030	1,030
b. Engineering Costs		1,426,116	1,426,116
c. Construction:			
(1). New Facilities		5,280,191	5,280,191
(2). Capacity Improvements		3,657,286	3,657,286
(3). System Preservation		4,654,562	4,654,562
(4). System Enhancement & Operation		1,635,818	1,635,818
(5). Total Construction (1) + (2) + (3) + (4)	0	15,227,857	15,227,857
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	16,655,003	16,655,003
			(Carry forward to page 1)

Notes and Comments:



**STATISTICAL
SECTION**



PARKER
C O L O R A D O

STATISTICAL SECTION

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

Contents	Page
Financial Trends	109
These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	
Revenue Capacity	116
These schedules contain information to help the reader assess the Town’s most significant local revenue source, the sales tax.	
Debt Capacity	120
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.	
Operations	123
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.	
Demographic and Economic Information	126
This schedule offers demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.	



PARKER
C O L O R A D O

TOWN OF PARKER, COLORADO

Table 1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$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	\$541,402,220
Restricted	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	30,504,441
Unrestricted	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	29,945,160
Total governmental activities net position	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	601,851,821
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	2,919,246	3,647,848	4,160,345	4,450,927	4,801,767	5,896,615	7,720,729	8,102,532	8,554,595	9,179,752
Restricted	202,395	298,792	298,792	306,492	306,492	306,492	306,492	328,492	306,492	447,417
Unrestricted	915,051	608,500	547,619	736,079	918,175	1,134,774	1,270,848	1,569,667	2,088,124	2,443,772
Total business-type activities net position	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	12,070,941
PRIMARY GOVERNMENT										
Net investment in capital assets	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	550,581,972
Restricted	9,179,277	7,779,162	8,114,362	12,082,890	10,704,121	14,120,566	16,551,100	23,355,533	29,625,391	30,951,858
Unrestricted	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	32,388,932
Total primary government net position	\$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	\$613,922,762

TOWN OF PARKER, COLORADO

Table 2

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental activities										
General government	\$ 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	\$ 7,808,349
Public Safety	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	14,828,040
Highways and streets	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	23,468,870
Economic development	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	1,759,381
Culture and recreation	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	15,671,430
Interest on long-term debt	897,336	1,041,229	929,437	1,343,600	3,332,577	3,085,295	3,121,137	3,064,035	3,507,958	3,561,896
Total governmental activities	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	67,097,966
Business-type activities										
Stormwater	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	1,506,469
Total business-type activities	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	1,506,469
Total primary government expenses	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	68,604,435
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	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	1,739,854
Public Safety	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	2,382,837
Highways and streets	414,067	423,393	372,616	271,425	267,836	181,631	238,825	258,392	255,575	267,423
Culture and recreation	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	6,468,303
Operating grants and contributions	481,669	211,608	249,072	3,561,585	424,223	447,045	623,401	681,578	1,286,208	1,316,066
Capital grants and contributions	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	25,001,874
Total governmental activities	12,544,708	8,130,403	13,648,291	36,280,896	25,304,602	23,215,863	16,559,493	14,445,876	40,270,357	37,176,357
Business-type activities										
Charges for services										
Stormwater utilities	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	1,987,122
Capital grants and contributions	-	121,588	125,000	-	-	665,466	1,499,369	117,076	375,000	395,000
Total business-type activities net position	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	2,382,122
Total primary government program revenues	13,753,622	9,515,605	15,076,240	37,827,568	26,886,362	25,681,304	19,682,486	16,416,047	42,510,393	39,558,479

TOWN OF PARKER, COLORADO

Table 2

Government-wide
Changes in Net Position

(Accrual basis of Accounting)

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NET REVENUE (EXPENSE)										
Governmental activities	(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)	(29,921,609)
Business-type activities	352,746	469,198	423,334	478,892	527,622	1,304,265	1,954,955	740,504	988,284	875,653
Total primary government	<u>(22,598,792)</u>	<u>(31,049,677)</u>	<u>(28,269,056)</u>	<u>(9,812,399)</u>	<u>(25,183,220)</u>	<u>(31,153,141)</u>	<u>(37,916,106)</u>	<u>(42,117,277)</u>	<u>(21,030,194)</u>	<u>(29,045,956)</u>
GENERAL REVENUES										
Governmental activities										
Taxes										
Sales and use	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	39,469,983
Sales and use shareback	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	2,766,212
Property	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	1,590,673
Road and bridge property shareback	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	1,238,675
Excise - new development	1,007,025	1,122,256	651,961	244,613	492,641	848,135	1,715,587	1,446,864	2,655,816	2,064,824
Franchise	631,432	765,639	868,968	810,410	810,749	792,431	768,219	841,671	905,961	921,013
Excise - electric	751,779	650,477	709,689	663,603	837,415	881,280	948,387	1,032,692	1,033,396	1,075,865
Highway users	926,219	943,220	939,430	1,035,572	1,198,340	1,240,219	1,271,073	1,291,998	1,330,821	1,384,719
Other	321,394	359,847	364,793	533,810	481,488	474,561	605,115	724,293	873,905	837,139
Unrestricted investment earnings	2,568,912	2,789,183	1,367,502	291,407	238,428	207,450	128,753	57,196	165,731	186,084
Gain on disposal of property	-	-	-	-	-	-	-	210,196	50,343	85,506
Transfers	-	-	-	-	-	-	-	68,164	51,421	185,455
Total governmental activities	<u>36,591,255</u>	<u>37,173,199</u>	<u>35,705,007</u>	<u>34,688,231</u>	<u>35,706,023</u>	<u>37,042,271</u>	<u>41,989,784</u>	<u>44,377,278</u>	<u>49,656,708</u>	<u>51,806,148</u>
Business-type activities										
Unrestricted investment earnings	61,628	49,250	28,282	7,850	5,314	7,182	5,233	3,004	11,657	9,671
Contributions	-	-	-	-	-	-	-	22,000	-	421,861
Gain on disposal of property	-	-	-	-	-	-	-	5,278	-	-
Transfers	-	-	-	-	-	-	-	(68,164)	(51,421)	(185,455)
Total business-type activities	<u>61,628</u>	<u>49,250</u>	<u>28,282</u>	<u>7,850</u>	<u>5,314</u>	<u>7,182</u>	<u>5,233</u>	<u>(37,882)</u>	<u>(39,764)</u>	<u>246,077</u>
CHANGES IN NET POSITION										
Governmental activities	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	21,884,539
Business-type activities	414,374	518,448	451,616	486,742	532,936	1,311,447	1,960,188	702,622	948,520	1,121,730
Total primary government	<u>\$14,054,091</u>	<u>\$ 6,172,772</u>	<u>\$ 7,464,233</u>	<u>\$24,883,682</u>	<u>\$10,528,117</u>	<u>\$ 6,789,131</u>	<u>\$ 4,078,911</u>	<u>\$ 2,222,119</u>	<u>\$28,586,750</u>	<u>\$23,006,269</u>

(concluded)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,063	\$ 151,265	\$ 261,426	\$ 318,111	\$ 44,718
Restricted	-	-	-	-	-	5,194,016	5,354,756	5,389,861	5,552,094	5,541,125
Assigned	-	-	-	-	-	3,805,900	3,916,400	3,558,911	8,786,164	9,507,005
Unassigned	-	-	-	-	-	13,677,803	14,554,422	12,496,031	10,685,656	8,009,300
Reserved	2,250,734	2,141,960	2,563,009	7,594,958	5,448,620	-	-	-	-	-
Unreserved	12,510,489	15,480,584	15,362,740	15,942,148	16,927,772	-	-	-	-	-
Total general fund	<u>14,761,223</u>	<u>17,622,544</u>	<u>17,925,749</u>	<u>23,537,106</u>	<u>22,376,392</u>	<u>22,796,782</u>	<u>23,976,843</u>	<u>21,706,229</u>	<u>25,342,025</u>	<u>23,102,148</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	-	-	-	-	-	1,787	20,844	61,087	185,781	81,162
Restricted	-	-	-	-	-	9,056,847	10,889,852	18,145,409	27,808,739	23,754,974
Assigned	-	-	-	-	-	11,698,480	11,412,243	11,394,563	9,229,681	12,404,934
Unassigned	-	-	-	-	-	-	(124)	-	(280,669)	(64,666)
Reserved	7,670,717	6,183,820	6,429,786	5,140,674	5,193,239	-	-	-	-	-
Unreserved	34,932,436	26,708,923	10,845,823	45,934,115	23,465,168	-	-	-	-	-
Total all other governmental funds	<u>42,603,153</u>	<u>32,892,743</u>	<u>17,275,609</u>	<u>51,074,789</u>	<u>28,658,407</u>	<u>20,757,114</u>	<u>22,322,815</u>	<u>29,601,059</u>	<u>36,943,532</u>	<u>36,176,404</u>
Total governmental funds	<u>\$57,364,376</u>	<u>\$50,515,287</u>	<u>\$35,201,358</u>	<u>\$74,611,895</u>	<u>\$51,034,799</u>	<u>\$ 43,553,896</u>	<u>\$ 46,299,658</u>	<u>\$ 51,307,288</u>	<u>\$ 62,285,557</u>	<u>\$ 59,278,552</u>

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.



PARKER
C O L O R A D O

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes										
Sales and use	\$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	\$ 39,469,983
Excise - new development	2,406,311	1,122,256	651,961	244,613	492,641	848,135	1,715,587	1,446,864	2,655,816	2,064,824
Other	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	3,747,204
License and permits	1,903,784	1,246,427	896,596	1,093,295	799,627	925,714	2,141,881	1,537,271	1,833,383	1,650,645
Intergovernmental	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	11,199,682
Charges for services	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	8,752,358
Fines and forfeitures	268,878	220,449	217,749	265,454	267,467	324,724	264,020	255,476	265,028	280,844
Contributions	4,636,347	940,742	1,785,184	3,682,788	1,024,365	1,398,752	708,839	222,933	3,763,471	3,225,342
Net investment earnings	2,568,912	2,786,380	1,366,581	290,986	238,044	206,913	127,886	56,315	165,227	183,151
Miscellaneous	117,571	295,774	146,347	281,867	203,346	265,388	341,041	165,790	148,563	176,243
Total revenues	<u>49,135,963</u>	<u>45,306,786</u>	<u>44,273,562</u>	<u>48,405,889</u>	<u>43,781,595</u>	<u>46,561,674</u>	<u>54,269,518</u>	<u>56,221,140</u>	<u>66,394,342</u>	<u>70,750,276</u>
EXPENDITURES										
Current										
General government	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	7,059,394
Public safety	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	14,008,600
Highways and streets	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	10,961,773
Economic development	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	1,759,381
Culture and recreation	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	13,337,348
Building	-	-	-	-	-	-	-	-	137,972	354,684
Debt Service										
Principal	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	12,645,000
Interest	786,807	1,063,001	951,068	840,983	3,324,136	3,216,048	3,148,723	3,091,892	3,428,097	3,650,044
Fiscal charges	8,318	6,876	3,760	2,292	2,157	1,150	1,150	1,150	650	3,638
Debt issue costs	298,687	-	-	-	-	-	-	-	-	-
Capital outlay	25,617,119	20,926,911	26,519,837	16,908,159	28,616,852	13,808,775	9,739,601	6,958,392	26,612,624	20,067,312
Total expenditures	<u>54,213,289</u>	<u>52,155,875</u>	<u>59,587,491</u>	<u>53,512,452</u>	<u>68,061,700</u>	<u>54,935,395</u>	<u>52,416,576</u>	<u>51,688,692</u>	<u>75,673,747</u>	<u>83,847,174</u>

(continued)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess of revenues over (under) expenditures	(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)	(13,096,898)
OTHER FINANCING SOURCES (USES)										
Transfers in	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	18,413,380
Transfers out	(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)	(18,212,925)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	410,664	-	-
Insurance recoveries	-	-	-	-	-	-	-	4,518	1,278	9,438
Bond issuance	17,025,000	-	-	44,341,016	-	-	-	-	20,204,976	9,880,000
Total other financing sources (uses)	17,025,000	-	-	44,341,016	-	-	-	415,182	20,257,675	10,089,893
NET CHANGE IN FUND BALANCE	\$11,947,674	\$ (6,849,089)	\$ (15,313,929)	\$ 39,234,453	\$ (24,280,105)	\$ (8,373,721)	\$ 1,852,942	\$ 4,947,630	\$ 10,978,270	\$ (3,007,005)
Debt service as a percentage of noncapital expenditures	12.6%	10.9%	10.2%	11.7%	15.2%	12.8%	11.8%	11.2%	11.0%	25.6%
										(concluded)

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

Revenue Source	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes										
Sales and use	\$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	\$ 39,469,983
Excise - new development	2,406,311	1,122,256	651,961	244,613	492,641	848,135	1,715,587	1,446,864	2,655,816	2,064,824
Property	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	1,590,673
Other	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	2,156,531
Licenses and permits	1,903,784	1,246,427	896,596	1,093,295	799,627	925,714	2,141,881	1,537,271	1,833,383	1,650,645
Intergovernmental	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	11,199,682
Charges for services	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	8,752,358
Fines and forfeitures	268,878	220,449	217,749	265,454	267,467	324,724	264,020	255,476	265,028	280,844
Contributions	4,636,347	940,742	1,785,184	3,682,788	1,024,365	1,398,752	708,839	222,933	3,763,471	3,225,342
Investment earnings	2,568,912	2,786,380	1,366,581	290,986	238,044	206,913	127,886	56,315	165,227	183,151
Miscellaneous	117,571	295,774	146,347	281,867	203,346	265,388	341,041	165,790	148,563	176,243
Total revenues	\$49,135,963	\$45,306,786	\$44,273,562	\$48,405,889	\$43,781,595	\$47,454,493	\$ 54,269,518	\$ 56,221,140	\$ 66,394,342	\$ 70,750,276

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
DIRECT RATE										
Town of Parker	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
OVERLAPPING RATES										
Douglas County	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
State of Colorado	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Regional Transportation District (RTD)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Scientific and Cultural Facilities District (SCFD)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Football Stadium District	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Total sales tax rate	<u>8.1%</u>	<u>8.1%</u>	<u>8.1%</u>	<u>8.1%</u>	<u>8.1%</u>	<u>8.1%</u>	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>

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

TYPE OF INDUSTRY	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Food and general merchandise	\$ 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	\$14,828,671
Autos/automotive	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	4,703,968
Restaurants	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	4,036,686
Home and garden	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	3,105,588
Specialty retail	-	-	-	-	-	2,879,283	3,788,793	4,085,299	4,311,707	4,819,323
Apparel and accessories	761,114	374,439	762,393	717,944	233,498	-	-	-	-	-
Furniture and décor	776,726	706,363	657,220	594,031	564,651	-	-	-	-	-
Miscellaneous retail	2,126,129	2,616,371	3,003,790	2,582,194	2,648,418	-	-	-	-	-
Utilities/telecommunications	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	2,352,573
Other	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	2,454,736
Total sales taxes	<u>21,257,119</u>	<u>23,247,649</u>	<u>23,904,250</u>	<u>24,418,900</u>	<u>24,975,871</u>	<u>26,341,878</u>	<u>28,862,771</u>	<u>30,981,914</u>	<u>33,153,841</u>	<u>36,301,545</u>
Building use taxes	<u>2,873,546</u>	<u>2,218,919</u>	<u>1,620,174</u>	<u>1,338,120</u>	<u>1,282,487</u>	<u>1,340,562</u>	<u>2,682,083</u>	<u>2,582,190</u>	<u>4,048,353</u>	<u>3,168,438</u>
Total sales and use taxes	<u>\$24,130,665</u>	<u>\$ 25,466,568</u>	<u>\$ 25,524,424</u>	<u>\$ 25,757,020</u>	<u>\$ 26,258,358</u>	<u>\$ 27,682,440</u>	<u>\$31,544,854</u>	<u>\$33,564,104</u>	<u>\$37,202,194</u>	<u>\$39,469,983</u>

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 Nine Years

TYPE OF INDUSTRY	2007	2008	2009	2010	2011	2012	2013	2014	2015
Aggregate top ten filers	\$ 11,971,786	\$ 11,331,992	\$ 12,477,140	\$ 12,366,466	\$13,355,597	\$15,225,597	\$16,299,120	\$17,332,923	\$18,185,261
Aggregate all other filers	11,932,464	13,086,908	12,498,731	13,975,412	15,507,174	13,637,174	14,682,794	15,820,918	18,116,284
Total sales taxes	23,904,250	24,418,900	24,975,871	26,341,878	28,862,771	28,862,771	30,981,914	33,153,841	36,301,545
Top ten filers as a percentage of total sales tax	50.08%	46.41%	49.96%	46.95%	46.27%	52.75%	52.61%	52.28%	50.10%

2015 Top ten filers in alphabetical order: Costco Wholesale #1022, Douglas County, Walmart Stores Inc, King Soopers #75, The Home Depot USA Inc, King Soopers #88, Target Corporation, Intermountain Rural Electric Association, Lowes HIW Inc, Safeway Store 45 Inc

Source: Town of Parker Finance department

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

	<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>	<u>2015</u>
GOVERNMENTAL ACTIVITIES										
Sales and use tax revenue bonds	\$ 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	\$ 9,880,000
Certificates of participation	<u>4,240,000</u>	<u>3,465,000</u>	<u>2,655,000</u>	<u>46,060,000</u>	<u>44,250,000</u>	<u>43,105,000</u>	<u>41,925,000</u>	<u>40,720,000</u>	<u>59,010,000</u>	<u>57,020,000</u>
Total governmental activities	<u>24,600,000</u>	<u>22,265,000</u>	<u>19,835,000</u>	<u>60,660,000</u>	<u>57,980,000</u>	<u>55,930,000</u>	<u>54,050,000</u>	<u>52,120,000</u>	<u>69,665,000</u>	<u>66,900,000</u>
Total primary government	<u>\$ 24,600,000</u>	<u>\$ 22,265,000</u>	<u>\$ 19,835,000</u>	<u>\$ 60,660,000</u>	<u>\$ 57,980,000</u>	<u>\$ 55,930,000</u>	<u>\$ 54,050,000</u>	<u>\$ 52,120,000</u>	<u>\$ 69,665,000</u>	<u>\$ 66,900,000</u>
Debt per capita	<u>\$ 556</u>	<u>\$ 492</u>	<u>\$ 438</u>	<u>\$ 1,340</u>	<u>\$ 1,280</u>	<u>\$ 1,222</u>	<u>\$ 1,152</u>	<u>\$ 1,090</u>	<u>\$ 1,428</u>	<u>\$ 1,320</u>
Debt as percentage of personal income	<u>1.30%</u>	<u>1.11%</u>	<u>0.96%</u>	<u>2.85%</u>	<u>2.67%</u>	<u>2.35%</u>	<u>1.53%</u>	<u>1.38%</u>	<u>1.72%</u>	<u>1.52%</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pledged revenues										
Sales taxes (1)	\$ 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	\$ 30,251,287
Use taxes (2)	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	2,686,658
Total available revenues	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	32,937,945
Annual debt service										
<i>Principal</i>										
1992 Sales and use tax bonds	-	-	-	-	-	-	-	-	-	-
1993 Sales and use tax bonds (3)	1,305,000	-	-	-	-	-	-	-	-	-
1998 Sales and use tax bonds	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	775,000
<i>Interest</i>										
1992 Sales and use tax bonds	-	-	-	-	-	-	-	-	-	-
1993 Sales and use tax bonds	42,915	-	-	-	-	-	-	-	-	-
1998 Sales and use tax bonds	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	481,700	449,438
Total debt service	2,642,341	2,444,148	2,424,743	3,309,920	1,482,625	1,482,125	1,244,150	1,238,869	1,226,700	1,224,438
Excess revenue coverage	\$ 17,470,636	\$ 18,778,465	\$ 18,845,572	\$ 18,154,269	\$ 20,399,371	\$ 21,585,998	\$ 25,043,156	\$ 26,788,853	\$ 29,861,263	\$ 31,713,507
Annual debt service coverage	7.61	8.68	8.77	6.48	14.76	15.56	21.13	22.62	25.34	26.90
Maximum annual debt service										
1992 Sales and use tax bonds	-	-	-	-	-	-	-	-	-	-
1993 Sales and use tax bonds	-	-	-	-	-	-	-	-	-	-
1998 Sales and use tax bonds	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	1,222,838
Combined maximum annual debt service	\$ 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	\$ 1,222,838
Maximum debt service coverage	8.23	8.75	8.79	14.48	14.76	18.54	21.22	22.85	25.39	26.94

(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

GOVERNMENTAL ENTITY	Total Gross Bonded Debt Outstanding	Percentage Applicable to Town (a)	Amount Applicable to Town
Direct debt:			
Town of Parker	\$ 57,020,000	100.00%	\$ 57,020,000
Total direct debt	57,020,000		57,020,000
Overlapping debt:			
Douglas County School District	342,249,713	3.00%	10,267,491
Antelope Heights Metro District	10,870,000	100.00%	10,870,000
Canterberry Crossing Metro District	10,295,000	100.00%	10,295,000
Canterberry Crossing II Metro District	11,700,000	100.00%	11,700,000
Cherry Creek South #1 Metro District	3,510,000	100.00%	3,510,000
Cherry Creek South #2 Metro District	1,850,000	100.00%	1,850,000
Compark Business Park Metro District	51,110,000	58.00%	29,643,800
Horsecreek Metro District	4,400,000	100.00%	4,400,000
Horseshoe Ridge Metro District	3,850,000	100.00%	3,850,000
Jordan Crossing Metro District	1,305,000	100.00%	1,305,000
Lincoln Meadows Metro District	7,540,000	100.00%	7,540,000
Lincoln Park Metro District	36,382,890	14.00%	5,093,605
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	14,285,000	100.00%	14,285,000
Parker Homestead Metro District	2,959,705	100.00%	2,959,705
Pine Bluffs Metro District	4,510,000	100.00%	4,510,000
Reata North Metro District	9,765,000	100.00%	9,765,000
Regency Metro District	3,540,000	100.00%	3,540,000
Robinson Ranch Metropolitan District	695,000	100.00%	695,000
Village on the Green Metro District	1,400,000	100.00%	1,400,000
Cottonwood Water and Sanitation District	17,042,181	90.00%	15,337,963
Parker Water and Sanitation District	88,365,000	38.00%	33,578,700
Stonegate Village Metro District	51,240,000	6.00%	3,074,400
Total overlapping debt	685,044,489		195,650,664
Grand total direct and overlapping debt	\$ 742,064,489		\$ 252,670,664

(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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Town Clerk	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	3.0	3.0
Municipal Court	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.6	2.6
Town Administration	4.0	4.0	4.0	5.0	5.0	4.0	3.0	3.0	3.0	3.0
Finance	13.0	13.0	13.0	14.0	14.0	11.0	11.0	11.0	11.0	12.0
Legal Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Human Resources	3.8	2.8	4.0	4.0	4.0	4.0	5.0	5.0	6.0	6.0
Risk Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Development	26.3	26.8	27.6	25.8	25.8	21.0	21.0	22.0	22.5	22.5
Information Technology	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0	10.0	11.0
Community Affairs	2.8	4.0	4.0	3.0	3.5	3.5	3.5	3.5	3.5	3.5
Customer Service	4.6	5.6	5.6	5.6	5.6	2.6	2.6	2.6	2.6	2.6
Economic Development	0.0	0.0	0.0	1.0	1.0	1.0	1.0	3.0	4.0	4.0
Public Safety	86.0	88.0	91.2	92.2	92.2	92.5	93.3	96.3	101.3	105.5
Public Works	42.5	46.8	50.8	51.8	53.3	49.5	49.5	50.3	50.1	53.1
Parks, Recreation and Culture	38.0	41.2	44.2	44.2	46.2	48.2	48.4	54.4	57.2	63.0
	<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>	<u>294.8</u>

Source: Town of Parker Finance department

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Town hall	1	1	1	1	1	1	1	1	1	1
Other office buildings	1	1	1	1	1	1	1	1	1	2
Public safety										
Police station	1	1	1	1	1	1	1	1	1	1
Public works										
Facilities	1	1	1	1	1	1	1	1	1	2
Miles of roadway	137	143	145	159	171	177	178	180	182	184
Parks, culture and recreation										
Ruth Chapel	1	1	1	1	1	1	1	1	1	1
Mainstreet Center	1	1	1	1	1	1	1	1	1	1
PACE Center	-	-	-	-	-	1	1	1	1	1
Recreation Center with indoor pool	1	1	1	1	1	1	1	1	1	1
Fieldhouse	-	1	1	1	1	1	1	1	1	1
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Parks										
Regional	2	2	2	2	2	1	1	1	1	2
Local	9	10	11	11	11	11	11	12	13	14

Source: Town of Parker

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government									
<i>Building Permits:</i>									
Single-family residential units	232	142	43	112	183	381	332	347	312
Valuation	\$ 67,334,924	\$ 45,050,250	\$ 16,005,637	\$ 32,509,630	\$ 55,076,498	\$ 119,581,591	\$ 117,231,450	\$ 119,630,934	\$ 106,788,354
Multi-family residential units	3	-	-	7	7	38	-	9	23
Valuation	\$ 618,078	\$ -	\$ -	\$ 1,295,564	\$ 1,338,620	\$ 7,420,142	\$ -	\$ 34,373,298	\$ 49,091,908
Total commercial new, remodel and other	582	615	631	466	416	515	628	637	489
Valuation	\$ 75,476,426	\$ 45,345,961	\$ 41,666,769	\$ 36,123,583	\$ 25,251,892	\$ 19,139,318	\$ 27,232,684	\$ 88,644,852	\$ 56,552,496
<i>Tax and Licensing:</i>									
Business licenses issued	175	227	513	458	333	749	631	487	492
<i>Community Development:</i>									
Code enforcement inspections	1,700	1,721	2,200	2,059	2,221	2,589	2,047	2,036	4,624
Public Safety									
<i>Police:</i>									
Calls for service *	53,569	55,721	65,821	63,995	58,009	60,084	65,122	65,987	68,577
Total charges *	6,003	5,516	4,841	4,379	4,431	5,325	5,218	5,696	5,813
<i>Building Inspection:</i>									
Total building inspections	21,408	17,694	18,122	14,490	16,061	34,622	27,238	25,170	29,015
Highways and Streets									
<i>Streets:</i>									
New roadway additions (miles)	6	2	14	12	6	1	2	2	2
Parks and Recreation									
<i>Recreation:</i>									
Adult sports leagues	8	8	8	7	8	8	8	8	7
Youth sports leagues	9	9	14	15	17	17	23	24	26
Adult league attendance	4,079	5,440	6,195	5,874	5,556	6,584	6,036	5,183	5,306
Youth league attendance	8,572	8,319	8,754	8,813	8,438	9,360	10,576	11,083	10,047

* 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.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Area in square miles	19.70	19.70	20.20	20.50	20.50	20.80	21.20	21.20	21.28	21.54
Housing units	15,826	16,184	16,451	16,508	16,620	16,731	17,133	17,451	17,798	18,752
Population	44,211	45,211	45,244	45,259	45,297	45,758	46,919	47,823	48,789	50,677
Average persons per household	2.88	2.88	2.85	2.85	2.85	2.84	2.84	2.84	2.84	2.80
Median age	34.50	34.50	34.50	35.40	36.60	36.10	35.80	34.40	34.70	34.90
High school graduates - persons age 25+	97.0%	97.0%	96.0%	97.0%	97.0%	97.1%	97.2%	97.5%	97.4%	97.7%
Bachelor's degree or higher - persons age 25+	51.9%	51.9%	56.0%	45.3%	45.3%	46.9%	47.5%	48.5%	50.2%	53.5%
Unemployment rate	2.5%	2.3%	3.0%	5.0%	5.2%	7.5%	6.8%	6.1%	3.8%	3.3%
Per capita income	\$ 53,329	\$ 58,305	\$ 62,633	\$ 62,500	\$ 65,874	\$ 71,463	\$ 75,317	\$ 79,127	\$ 82,938	\$ 86,749
Total personal income (in thousands)	\$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	\$4,396,179

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