
Town of Parachute
Financial Statements and
Independent Auditor's Report
as of
December 31, 2019

Town of Parachute

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Parachute, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Parachute, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town'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.

Auditor's 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 auditor's 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, the aggregate discretely presented component units and each major fund of the Town of Parachute, Colorado, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net Pension Asset, Schedule of Contributions to Pension Plan and budgetary comparison information on pages 3-15, 43, 44 and 45-46 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 Parachute, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
May 13, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the annual financial report of the Town of Parachute, Colorado (the Town), the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended December 31, 2019. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by \$17,566,536 (net position) as of December 31, 2019.

- Total net position is comprised of the following:

Net investment in capital assets in the amount of \$13,722,654 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

Net position \$155,600 is restricted for emergency reserves.

Net position of \$3,688,282, which includes committed funds for capital projects, represents the portion available to maintain the Town's continuing obligations to citizens and creditors.

- The Town's governmental funds (the General, Streets and Alleys, Conservation Trust and Capital Projects Funds) report a total ending fund balance of \$3,275,830 this year. This compares to the prior year ending fund balance of \$4,264,439, a decrease of \$988,609.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The Statement of Net Position presents information that includes all of the Town's assets and liabilities, 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 as a whole is improving or deteriorating.

The Statement of Activities, presents information showing how the Town's net position changed during the most recent fiscal 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 reported in this statement for some items will result in cash flows in future periods.

Both government-wide financial statements distinguish the governmental activities of the Town that are principally supported by property, sales and use taxes from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, community services, and economic development. Business-type activities include the Water Utility, the Wastewater Utility, and the Garbage trash collection system.

The government-wide financial statements are presented in a later section of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different, with fund financial statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability, focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The three Town proprietary funds are classified as enterprise funds. The enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the governmental activities of the Town as described above.

The basic financial statements for the three enterprise funds are presented in a later section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are included in a later section of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Town. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund, Streets and Alleys Fund, Conservation Trust Fund, Parachute Capital Improvement Fund and the Reserve Fund to demonstrate compliance with this budget.

Supplementary Information

Budget to actual comparisons for the Capital Projects Fund and the enterprise funds are presented in the supplementary section of this report.

Financial Analysis of the Town as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

The Town's net position at fiscal year-end is \$17,566,536. The following tables provide a summary of the Town's net position for 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current Assets	3,935,000	4,896,025	537,771	480,757	4,472,771	5,376,782
Capital Assets	11,321,830	9,772,176	2,662,245	2,703,431	13,984,075	12,475,607
Total Assets	15,256,830	14,668,201	3,200,016	3,184,188	18,456,846	17,852,389
Deferred Outflows of Resources	192,414	47,654			192,414	47,654
Liabilities:						
Current Liabilities	204,759	147,474	66,929	52,828	271,688	200,302
Noncurrent Liabilities	-	-	240,066	260,481	240,066	260,481
Net pension liability	55,543	-	-	-	-	-
Total Liabilities	260,302	147,474	306,995	313,309	567,297	460,783
Deferred Inflows of Resources	515,427	545,345	-	-	515,427	545,345
Net Position:						
Net Investment in Capital Assets	11,321,830	9,772,176	2,400,824	2,422,416	13,722,654	12,194,592
Restricted	155,600	149,290			155,600	149,290
Unrestricted	3,196,085	4,101,570	492,197	444,900	3,688,282	4,546,470
Total Net Position	14,673,515	14,023,036	2,893,021	2,867,316	17,566,536	16,890,352

Note that approximately 78% of the Town's total net position is tied up in capital.

In 2019, revenues in the various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for Services	179,366	305,481	785,645	792,847	965,011	1,098,328
Operating Grants	106,293	113,752	-	-	106,293	113,752
Capital grants	510,578	319,999	22,707	105,674	533,285	425,673
General Revenues						
Property Taxes	500,939	333,550	-	-	500,939	333,550
Intergovernmental	291,536	155,872	-	-	291,536	155,872
Sales taxes and other	2,063,569	1,741,624	-	-	2,063,569	1,741,624
Franchise taxes	3,670	4,090	-	-	3,670	4,090
Miscellaneous	54,883	45,756	31,260	11,900	86,143	57,656
Interest income	52,389	45,720	51	44	52,440	45,764
Transfers in (out)	-	(241,330)	-	241,330		-
Total Revenues	3,763,223	2,824,514	839,663	1,151,795	4,602,886	3,976,309
Expenses						
General Government	1,547,117	1,306,414	-	-	1,547,117	1,306,414
Public Safety	491,257	601,912	-	-	491,257	601,912
Highways & Streets	753,535	710,043	-	-	753,535	710,043
Culture & Recreation	320,835	434,692	79,505	106,603	400,340	541,295
Water	-	-	418,203	443,619	418,203	443,619
Wastewater	-	-	255,442	236,603	255,442	236,603
Garbage	-	-	60,808	61,863	60,808	61,863
Total Expenses	3,112,744	3,053,061	813,958	848,688	3,926,702	3,901,749
Increase (Decrease)						
In Net Position	650,479	(228,547)	25,705	303,107	676,184	74,560
Residual Transfer	-	(3,535)	-	3,535	-	
Net Position - Beginning	14,023,036	14,255,118	2,867,316	2,560,674	16,890,352	16,815,792
Net Position - Ending	14,673,515	14,023,036	2,893,021	2,867,316	17,566,536	16,890,352

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2019, taxes equaled \$2,568,178 or 68 % of total revenues of \$3,763,223 for the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs increased \$59,683 or 2% when compared to 2018. Public Safety comprises 16 % of the Town's total governmental expenses, General Government at 50%, Highways and Street at 24%, Culture and Recreation at 10%.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

Information about the Town's governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2019, the total fund balances of the Town's governmental funds were \$3,275,830. Approximately 3 percent of this consists of unassigned fund balance, which is available as for current spending in accordance with the purposes of the Town. The remainder of fund balance is not available for new spending because it is for the following purposes: (1) a state-Constitution mandated emergency reserve (\$155,600), (2) capital reserves (\$387,462), (3) reserve for future operations (\$2,077,260) and (4) Parks and Open Space (\$2,886). The Town had Governmental revenues and other financing sources of \$3,763,223 and expenditures of \$3,112,744.

Proprietary Funds

Information about the Town's proprietary funds begins on page 22. These funds are accounted for using the accrual basis of accounting.

As of December 31, 2019, the total net position of the Town's proprietary funds was \$2,893,021. Approximately 17 % or \$492,197 consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the Town. The remainder of net position is invested in capital assets (\$2,400,824). The Town had Proprietary operating revenues, non-operating revenues, and contributions of \$839,663 and operating expenses and non-operating expenses of \$813,958.

Budgetary Highlights

The Towns budget is prepared in accordance with Colorado Revised Statutes.

	Original Appropriation	Amendments	Revised Appropriation	Actual Expenditures
General Fund	2,967,730	202,792	3,170,522	2,759,764
Streets and Alleys Fund	247,520	-	247,520	225,583
Conservation Trust Fund	261,190	315,250	576,440	552,061
Grant fund	418,180	32,500	450,680	367,644
Reserve Fund	-	-	-	-
Parachute Capital Improvement Fund	560,500	1,200,000	1,760,500	1,531,953
Water fund	398,550	60,000	458,550	418,203
Waste Water fund	325,140	-	325,140	255,443
Garbage Fund	63,140	-	63,140	60,808
Parks and Recreation Fund	131,860	-	131,860	79,505
	\$ 5,373,810.00	\$ 1,810,542.00	\$ 7,184,352.00	\$ 6,250,964.00

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2019, was \$11,321,830 for governmental activities and \$2,662,245 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004. The following table provides a summary of capital asset activity.

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,091,170	\$ 201,198	\$ -	\$ 3,292,368
Total Capital Assets Not Being Depreciated	3,091,170	201,198	-	3,292,368
Depreciable Capital Assets:				
Buildings	3,282,846	1,004,569	-	4,287,415
Improvements/Infrastructure	7,258,888	865,567	-	8,124,455
Furniture & Equipment	258,680	15,696	-	274,376
Machinery & Equipment	591,644	115,524	-	707,168
Vehicles	683,633	103,926	-	787,559
Total Depreciable Capital Assets	12,075,691	2,105,282	-	14,180,973
Accumulated Depreciation:				
Buildings	(1,136,243)	(111,569)	-	(1,247,812)
Improvements/Infrastructure	(3,142,613)	(523,368)	-	(3,665,981)
Furniture & Equipment	(150,296)	(30,652)	-	(180,948)
Machinery & Equipment	(385,920)	(52,350)	-	(438,270)
Vehicles	(579,613)	(38,887)	-	(618,500)
Total Accumulated Depreciation	(5,394,685)	(756,826)	-	(6,151,511)
Net Depreciable Capital Assets	6,681,006	1,348,456	-	8,029,462
Total Net Governmental Activities	\$ 9,772,176	\$ 1,549,654	\$ -	\$ 11,321,830

	Beginning		Ending	
	Balance	Additions	Deletions	Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 5,067	\$ -	\$ -	\$ 5,067
Water Rights	282,101	-	-	282,101
Total Capital Assets Not Being Depreciated	287,168	-	-	287,168
Depreciable Capital Assets:				
Water Utility System	3,004,945	-	-	3,004,945
Wastewater Utility System	1,019,132	-	-	1,019,132
Water Storage Tanks	649,105	57,915	-	707,020
Machinery & Equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Total Depreciable Capital Assets	4,972,287	57,915	-	5,030,202
Accumulated Depreciation:				
Water Utility System	(1,457,611)	(56,481)	-	(1,514,092)
Wastewater System	(673,460)	(21,406)	-	(694,866)
Water Storage Tanks	(171,363)	(14,457)	-	(185,820)
Machinery & Equipment	(232,802)	(6,756)	-	(239,558)
Vehicles	(20,789)	-	-	(20,789)
Total Accumulated Depreciation	(2,556,025)	(99,100)	-	(2,655,125)
Net Depreciable Capital Assets	2,416,262	(41,184)	-	2,375,078
Total Business-Type Activities	\$2,703,430	\$ (41,184)	\$ -	\$2,662,246

At December 31, 2019, the depreciable capital assets for governmental activities were 43% depreciated. As for the Town's business-type activities, 53% of the asset values were depreciated at December 31, 2019.

Additional information on Town's capital assets can be found in Note 10.

Long-term Debt

During the year ended December 31, 2019, the Town did not enter into any new capital leases. The Town has an existing note payable with Alpine Bank and borrowed an additional \$175,000 for the Water fund. Monthly payments of \$1089.21 began in 2018 and existing annual payment of \$17,922 was paid in April.

Additional information on Town's debt can be found in Note 7.

Economic Conditions Affecting the Town

Comprehensive Plan Summary

Stakeholders expressed a desire to see more manufacturing jobs, a re-design of the downtown area of Parachute, additional recreational resources & opportunities, more retail development such as a supermarket, and entertainment-related amenities.

Strengths

- Close proximity to the Piceance Basin—oil shale, natural gas, nahcolite deposits
- Close proximity to I-70 and two major railroads (Union Pacific & Burlington Northern)
- Colorado River
- Roan Plateau & Bookcliffs rock formation
- Battlement Mesa Development – 25,000 residents – 3 sq miles future land development
- Education facilities – Garfield District 16 and Colorado Mountain College
- Progressive leadership

Weaknesses

- Single-based (natural gas) economy
- Lack of retail and entertainment amenities
- Small population
- Competition from Grand Junction
- Lack of off-highway amenities

Opportunities

- Sodium carbonate mineral deposits, Soda ash industry
- Potential to annex property into Town
- Potential Oil Shale extraction companies
- Liquefied Natural Gas exports
- Business District development opportunity
- Recreation and Tourism potential
- Neighborhood commercial development
- Adjacent I-70 Truck stop / Retail outlet developments
- Medical and recreational marijuana dispensaries and grow facilities

Threats

- Commodity Prices / extraction technology
- Front range competing formations
- Potential developments in Grand Junction Economic

Development Strategy

Following the review of the Parachute Community Assessment Report, and the assessment of current conditions, Parachute's economic development initiatives must consist of both short- and long-term goals that enhance the quality of the local economic base and improves community "infrastructure" that help meet the needs of both residents and visitors, while promoting Parachute with a positive image. The economic development strategy begins with identifying Parachute's priorities and crafting implementation actions that will promote:

1. Economic diversification
2. Public/private partnerships for investment
3. Urban renewal and revitalization
4. Downtown activation and beautification
5. Sustainable Development

Economic Diversification

The results of the business leakage indicates a fair amount of commerce leaving the Town of Parachute. This economic development strategy will focus on businesses and jobs that serve to capture and/or reduce the top five leakages:

1. Building Material, Supplies Dealers
2. Grocery Stores
3. Department Stores
4. Other General Merchandise Stores, and
5. Gasoline Stations

Given the small population of Parachute, a conglomeration of goods and services makes economic sense, and may better attract businesses like a Walmart Superstore that provides a food market as well as home goods, or a Loves that provides gas as well as a combination of fast foods. Starting with these business areas will help build quality local jobs, while meeting the needs of the community providing goods, services, and amenities, thus increasing the quality of life.

Small wins of attracting franchises, creating events to attract regional visitors, and proactive marketing can begin to generate activities necessary for commerce. Since we understand that small businesses are the foundation of an economy, the focus will be on attracting and nurturing start-up and/or newly relocated businesses. The following tasks are actionable items that will be undertaken toward that goal.

- Build local businesses through grassroots efforts
 - Communicate and advertise that business support services are available.
- Align successful enterprises with one another to create economic synergy
 - Identify gap priority businesses and work with new startups
 - Target franchisers and partner them with franchisees
- Provide coaching / mentoring that gives business owners accountability
 - Register businesses with online support network
 - Business write-up one-page strategy, identifying SWOT

Studies have shown that the gig, or freelance, economy is growing exponentially in the U.S., and estimates range from 50% to 70% of all workers will be freelancing by 2025. Small municipalities like Parachute must work on nurturing and retaining a diversified range of entrepreneurs. It must first begin with building the right infrastructure that both physically and virtually connects small businesses to the community.

Public/Private Partnerships for Investment

Public-private partnerships (P3) are a collaborative effort between a government entity and a private-sector company that can be used for complementary resources, such as financing, building, and operating projects. We will facilitate potential partnerships for necessary projects that may range from event sponsorship and coordination, to large developments that entail improvements or new infrastructure.

In many cases, a P3 works well when private sector technology and innovation combine public sector incentives to leverage resources that benefit the community as a whole. Some of these include:

- Enhanced property and /or sales tax - amount of property and / or sales tax collected and available for use in economic development program. For property taxes, it is the amount over and above the base amount determined by the assessed property valuation. For sales taxes, it is the amount over and above the base amount that is negotiated and agreed by applicant and approved by the Town Council.
- Enhanced tax incentive - rebate of enhanced sales taxes and/or enhanced property taxes
- Waiver of use taxes - a waiver of taxes collected on purchases made outside the Town or State
- Waiver, deferral, or partial waiver of water and/or sewer system improvement fees.
- Waiver of building permit fees
- Waiver or reduction of water and/or sewer utility service fees until the issuance of a certificate of occupancy or three years from the date of the economic development agreement, whichever is earlier
- Rebate of costs per square foot of development

Successful P3 projects are built on sound partnerships that share a common vision. These successful partnerships also extend beyond the project's timeframe. Small municipalities, with limited resources, must explore opportunities to partner with private investors and stakeholders in finding ways to create a sustainable economic environment for the community. We will look for opportunities in technology, development, and social capital that will benefit the Town of Parachute. Some potential concepts include: improving mobile connections within a designated business area that link customers with businesses, creating shared spaces for both customers and businesses, and enhancing community bulletin boards where jobs, gigs and small business resources are shared.

Urban Renewal and Revitalization

In the case of economic development, we will focus on revitalization initiatives that are aimed at reorganizing neglected, dilapidated structures due to economic or social reasons. These initiatives include improving features of the townscape, such as the quality of pavement and the functionality of the sidewalks, addressing needs for improved community engagement, and occupation of public spaces, providing new entertainment facilities like parks and museums. We will also engage in public-private partnerships to facilitate the implementation of some revitalization projects, such as renovating and optimizing building spaces that are unusable, and working with new businesses to lease or purchase building space under the urban renewal program.

This model works best to generate new revenue that is more financially sustainable and commercially feasible for the Town. We will work to define urban renewal solutions that best meet economic development strategies, such as creating new local jobs, and establishing an environment that fosters growth in new businesses.

Downtown Activation and Beautification

Over the past two decades, there has been a trend across American cities in which downtowns, main streets, and city centers are attracting consumers because they are the nucleus of a community. They are the breeding ground for businesses, attracting commerce, creating economic diversity where both residents and visitors can be found.

The most important aspect of attracting consumers and businesses to the Town's streets is creating spaces where people want to go. We will conduct place-making exercises that identify properties that have potential attraction, and define prospective programming activities for those spaces.

Sustainable Development

The achievement of sustainable development is more about being conscious of our end goals in a manner that brings together economics with human and environmental needs. Sustainable development is a human action that requires a concerted effort of utilizing resources while preserving the productive capacity for the indefinite future.

Infrastructure is also a key element in enabling economic growth. Parachute's location to the I-70 is a priceless asset, and the Town could benefit from more innovative and creative ways to leverage on that asset. Digital infrastructure could also be enhanced to boost the Town's economy.

By far, the most important asset that the Town could invest in is social capital. The Town's residents and businesses are at the core of economic growth, and creating economic opportunities for them through investments, and other incentives, will only enable sustainable economic growth.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town at 222 Grand Valley Way Parachute, CO 81635.

**Town of Parachute
Statement of Net Position
December 31, 2019**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,790,131	\$ 468,222	\$ 3,258,353
Property Taxes Receivable	514,834	-	514,834
Accounts Receivable	630,035	69,549	699,584
Capital assets			
Nondepreciable	3,292,368	287,168	3,579,536
Depreciable, net of accumulated depreciation	8,029,462	2,375,077	10,404,539
Total assets	15,256,830	3,200,016	18,456,846
DEFERRED OUTFLOWS			
Deferred outflows of resources related to pensions	192,414	-	192,414
Total Deferred outflows	192,414	-	192,414
LIABILITIES			
Accounts Payable	120,455	31,445	151,900
Accrued payroll	23,881	4,430	28,311
Accrued compensated absences	60,423	8,202	68,625
Unearned revenues	-	1,497	1,497
Noncurrent liabilities:			
Due within one year	-	21,355	21,355
Due more than one year:	-	240,066	240,066
Net pension liability	55,543	-	55,543
Total liabilities	260,302	306,995	567,297
Deferred inflows of resources			
Deferred property taxes	514,834	-	514,834
Deferred inflows of resources related to pensions	593	-	593
Total Deferred inflows of resources	515,427	-	515,427
NET POSITION			
Invested in capital assets	11,321,830	2,400,824	13,722,654
Restricted for:	155,600	-	155,600
Tabor	3,196,085	492,197	3,688,282
Unrestricted	\$ 14,673,515	\$ 2,893,021	\$ 17,566,536
Total net position			

The accompanying notes are an integral part of this statement.

**Town of Parachute
Statement of Activities
For the Year Ended December 31, 2019**

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service and Fees</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 1,547,117	\$ 74,187	\$ -	\$ 305,466
Public Safety	491,257	58,526	-	-
Highway and Streets	753,535	-	99,941	19,999
Culture and Recreation	320,835	46,653	6,352	185,113
Total governmental activities	<u>3,112,744</u>	<u>179,366</u>	<u>106,293</u>	<u>510,578</u>
Business-type activities:				
Water	418,203	420,595	31,260	22,707
Wastewater	255,442	277,311	-	-
Garbage	60,808	65,095	-	-
Parks and Recreation	79,505	22,644	-	-
Total business-type activities	<u>813,958</u>	<u>785,645</u>	<u>31,260</u>	<u>22,707</u>
Total primary government	<u>\$ 3,926,702</u>	<u>\$ 965,011</u>	<u>\$ 137,553</u>	<u>\$ 533,285</u>

General Revenues

Taxes:

Sales and Use tax

Property Tax

Franchise taxes

Other Tax

Intergovernmental

Unrestricted investment earnings

Miscellaneous

Total General Revenues and Transfers

Changes in Net Position

Net Position-January 1

Net Position-December 31

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (1,167,464)	\$ -	\$ (1,167,464)
(432,731)	-	(432,731)
(633,595)	-	(633,595)
(82,717)	-	(82,717)
<u>-(2,316,507)</u>	<u>-</u>	<u>-(2,316,507)</u>
-	56,359	56,359
-	21,869	21,869
-	4,287	4,287
-	(56,861)	(56,861)
<u>-</u>	<u>25,654</u>	<u>25,654</u>
<u>(2,316,507)</u>	<u>25,654</u>	<u>(2,290,853)</u>
1,949,879	-	1,949,879
500,939	-	500,939
3,670	-	3,670
113,690	-	113,690
291,536	-	291,536
52,389	51	52,440
54,883	-	54,883
<u>2,966,986</u>	<u>51</u>	<u>2,967,037</u>
650,479	25,705	676,184
14,023,036	2,867,316	16,890,352
<u>\$ 14,673,515</u>	<u>\$ 2,893,021</u>	<u>\$ 17,566,536</u>

The accompanying notes are an integral part of this statement.

**Town of Parachute
Governmental Funds
Balance Sheet
December 31, 2019**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Reserve Fund</u>
Assets			
Cash and Cash Equivalents	\$ 198,452	\$ 402,651	\$2,077,260
Property Taxes Receivable	514,834	-	-
Accounts Receivable	623,330	-	-
Due from Other Funds	-	-	-
Total assets	<u>\$ 1,336,616</u>	<u>\$ 402,651</u>	<u>\$2,077,260</u>
Liabilities			
Accounts Payable	\$ 102,998	\$ 15,189	\$ -
Accrued Payroll	21,648	-	-
Total Liabilities	<u>124,646</u>	<u>15,189</u>	<u>-</u>
Deferred inflows of resources			
Deferred property taxes	514,834	-	-
Total Deferred inflows of resources	<u>514,834</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted			
Parks and Open Space	-	-	-
Emergency Reserves	77,260	-	78,340
Assigned			
Future Operations	-	-	1,998,920
Streets and Alleys	-	-	-
Capital Projects	-	387,462	-
Unassigned	619,876	-	-
Total Fund Equity	<u>697,136</u>	<u>387,462</u>	<u>2,077,260</u>
Total Liabilities, deferred inflows of resources and fund equity	<u>\$ 1,336,616</u>	<u>\$ 402,651</u>	<u>\$2,077,260</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 111,768	\$ 2,790,131
-	514,834
6,705	630,035
-	-
<u>\$ 118,473</u>	<u>\$ 3,935,000</u>
\$ 2,268	\$ 120,455
2,233	23,881
<u>4,501</u>	<u>144,336</u>
-	514,834
<u>-</u>	<u>514,834</u>
2,886	2,886
-	155,600
-	1,998,920
82,335	82,335
28,751	416,213
-	619,876
<u>113,972</u>	<u>3,275,830</u>
<u>\$ 118,473</u>	<u>\$ 3,935,000</u>

The accompanying notes are an integral part of this statement.

**Town of Parachute
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2019**

Total fund balance, governmental funds \$ 3,275,830

Amounts reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 17,473,341	
Less accumulated depreciation	<u>(6,151,511)</u>	11,321,830

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Compensated absences	(60,423)
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Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.	136,278
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Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 14,673,515</u></u>
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The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Reserve Fund</u>
REVENUES			
Taxes	\$ 2,568,162	\$ -	\$ -
Licenses/Permits	49,235	-	-
Intergovernmental	291,536	-	-
Fines and Forfeitures	78,637	-	-
Miscellaneous	106,206	-	-
Interest	52,314	-	-
Total revenues	<u>3,146,090</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Judicial	60,216	-	-
Executive and Legislative	525,142	-	-
Fiscal	57,956	-	-
Legal	54,231	-	-
Building	124,444	-	-
Community Development	448,576	-	-
Law Enforcement	549,463	-	-
Records Coordination	68,247	-	-
Street and Alley	42,634	-	-
Parks	199,688	-	-
Contributions	26,495	-	-
Capital Outlay	-	1,449,453	-
Total expenditures	<u>2,157,092</u>	<u>1,449,453</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	988,998	(1,449,453)	-
Other Financing Sources (Uses)			
Transfers In	-	194,100	5,230
Transfers (Out)	(602,672)	-	-
Change in available resources	386,326	(1,255,353)	5,230
Fund Balances- January 1	<u>310,810</u>	<u>1,642,815</u>	<u>2,072,030</u>
Fund Balances- December 31	<u>\$ 697,136</u>	<u>\$ 387,462</u>	<u>\$ 2,077,260</u>

The accompanying notes are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 42,357	\$ 2,610,519
574,513	623,748
-	291,536
-	78,637
263	106,469
-	52,314
617,133	3,763,223
-	60,216
552,061	1,077,203
-	57,956
-	54,231
-	124,444
-	448,576
-	549,463
-	68,247
225,583	268,217
367,643	567,331
-	26,495
-	1,449,453
1,145,287	4,751,832
(528,154)	(988,609)
403,342	602,672
-	(602,672)
(124,812)	(988,609)
238,784	4,264,439
\$ 113,972	3,275,830

The accompanying notes are an integral part of this statement.

Town of Parachute
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds \$ (988,609)

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

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 depreciation exceeded capital outlays in the current period.

Fixed assets current additions	\$ 2,306,480	
Depreciation expense	(756,826)	
Excess of capital outlay over depreciation	1,549,654	1,549,654

Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.

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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.

Compensated absences		9,528
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Pension expenses not in current year		79,906
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Change in net position of governmental funds		\$ 650,479
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The accompanying notes are an integral part of this statement.

**Town of Parachute
Statement of Net Position
Enterprise Funds
December 31, 2019**

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
ASSETS			
Current Assets:			
Cash	\$ 260,200	\$ 91,321	\$ 43,348
Accounts receivable, net	36,577	25,731	7,241
Total current assets	<u>296,777</u>	<u>117,052</u>	<u>50,589</u>
Capital assets:			
Water Shares	282,101	-	-
Land	4,095	972	-
Property, plant and Equipment	3,916,706	1,113,495	-
Less accumulated depreciation	(1,867,325)	(787,799)	-
Total capital assets	<u>2,335,577</u>	<u>326,668</u>	<u>-</u>
Total Assets	<u>\$ 2,632,354</u>	<u>\$ 443,720</u>	<u>\$ 50,589</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 14,844	\$ 11,124	\$ 5,057
Accrued payroll	3,342	671	-
Accrued compensated absences	6,316	1,886	-
Unearned revenues	1,497	-	-
Current maturities of long term debt			
Notes Payable	21,355	-	-
Total current liabilities	<u>47,354</u>	<u>13,681</u>	<u>5,057</u>
Noncurrent Liabilities			
Notes Payable	240,066	-	-
Total noncurrent liabilities	<u>240,066</u>	<u>-</u>	<u>-</u>
Net Position			
Invested in capital assets, net of related debt	2,074,156	326,668	-
Unrestricted	270,778	103,371	45,532
Total Net Position	<u>\$ 2,344,934</u>	<u>\$ 430,039</u>	<u>\$ 45,532</u>

<u>Parks and Recreation</u>	<u>Total Enterprise Funds</u>
\$ 73,353	\$ 468,222
-	69,549
<u>73,353</u>	<u>537,771</u>
-	282,101
-	5,067
-	5,030,201
-	(2,655,124)
<u>-</u>	<u>2,662,245</u>
<u>\$ 73,353</u>	<u>\$ 3,200,016</u>
\$ 420	\$ 31,445
417	4,430
-	8,202
-	1,497
-	21,355
<u>837</u>	<u>66,929</u>
-	240,066
<u>-</u>	<u>240,066</u>
-	2,400,824
72,516	492,197
<u>\$ 72,516</u>	<u>\$ 2,893,021</u>

Town of Parachute
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2019

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
Operating Revenues			
Charges for services	\$ 420,595	\$ 266,114	\$ 65,095
Other	-	11,197	-
Total operating revenues	<u>420,595</u>	<u>277,311</u>	<u>65,095</u>
Operating Expenses			
Operations	142,155	190,538	60,808
Personnel	185,197	40,843	-
Depreciation	75,039	24,061	-
Total operating expenses	<u>402,391</u>	<u>255,442</u>	<u>60,808</u>
Operating income (loss)	<u>18,204</u>	<u>21,869</u>	<u>4,287</u>
Nonoperating revenues (expenses)			
Interest income	51	-	-
Interest expense	(15,812)	-	-
Total nonoperating revenues (expenses)	<u>(15,761)</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers and and Capital Contributions	2,443	21,869	4,287
Contributions and Transfers			
Other grants and contributions	22,707	-	-
Tap fees	31,260	-	-
Total Contributions and Transfers	<u>53,967</u>	<u>-</u>	<u>-</u>
Change in net position	56,410	21,869	4,287
Total net position, January 1	<u>2,288,524</u>	<u>408,170</u>	<u>41,245</u>
Total net position, December 31	<u>\$ 2,344,934</u>	<u>\$ 430,039</u>	<u>\$ 45,532</u>

Parks and Recreation	Total
\$ 22,644	\$ 774,448
-	11,197
<u>22,644</u>	<u>785,645</u>
33,107	426,608
46,398	272,438
	99,100
<u>79,505</u>	<u>798,146</u>
<u>(56,861)</u>	<u>(12,501)</u>
-	51
-	(15,812)
-	<u>(15,761)</u>
(56,861)	(28,262)
-	22,707
-	31,260
-	<u>53,967</u>
(56,861)	25,705
129,377	2,867,316
<u>\$ 72,516</u>	<u>\$ 2,893,021</u>

Town of Parachute
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2019

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
Cash Flows From Operating Activities			
Cash received from customer and others	\$ 424,545	\$ 277,866	\$ 66,064
Cash payments for personnel	(145,174)	(190,768)	(60,808)
Cash payments for goods and services	(174,730)	(39,397)	(376)
Net cash provided (used) by operating activities	<u>104,641</u>	<u>47,701</u>	<u>4,880</u>
Cash Flows from Noncapital Financing Activities			
Tap fees	31,260	-	-
Net cash provided (used) by noncapital financing activities	<u>31,260</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Receipt of capital grants	22,707	-	-
Acquisition and construction of capital assets	(57,915)	-	-
Long term debt payment- principal	(19,594)	-	-
Long term debt payment- interest	(15,812)	-	-
Net cash provided (used) by capital and related financing activities	<u>(70,614)</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities			
Interest on investments	51	-	-
Net Cash provided by Investing Activities	<u>51</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	65,338	47,701	4,880
Cash balances, January 1	194,862	43,620	38,468
Cash balances, December 31	<u>\$ 260,200</u>	<u>\$ 91,321</u>	<u>\$ 43,348</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 18,204	\$ 21,869	\$ 4,287
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	75,039	24,061	-
Assets (increase) decrease:			
Accounts receivables	2,453	555	969
Liabilities increase (decrease):			
Accounts payable	10,467	1,446	(376)
Accrued payroll	725	115	-
Accrued compensated absences	(3,744)	(345)	-
Unearned revenues	1,497	-	-
Total adjustments	<u>86,437</u>	<u>25,832</u>	<u>593</u>
Net cash provided (used) by operating activities	<u>\$ 104,641</u>	<u>\$ 47,701</u>	<u>\$ 4,880</u>

<u>Parks and Recreation</u>	<u>Total Enterprise Funds</u>
\$ 22,644	\$ 791,119
(33,080)	(429,830)
(46,493)	(260,996)
(56,929)	100,293
-	31,260
-	31,260
-	22,707
-	(57,915)
-	(19,594)
-	(15,812)
-	(70,614)
-	51
-	51
(56,929)	60,990
130,282	407,232
\$ 73,353	\$ 468,222
\$ (56,861)	\$ (12,501)
-	99,100
-	3,977
(95)	11,442
27	867
-	(4,089)
-	1,497
(68)	112,794
\$ (56,929)	\$ 100,293

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Parachute, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The Town is a municipality with a mayor and board of trustees' form of government that are elected by the voters. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Parachute (the primary government). The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting 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.

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 *Reserve Fund* is a special revenue fund used to account for funds set aside by the board for future operations and emergency reserves.
- The *Capital Improvement Fund* accounts for long-term capital construction projects of the Town.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for water, sewer, and garbage income. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major enterprise fund business-type activities:

- Water, Wastewater and Garbage Funds, which account for all operations of the Town's water, sewer and garbage services. They are primarily financed by user charges.
- Parks and Recreation Fund, which account for all operations of the Town's park and recreation services. They are primarily financed by user charges.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. 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 modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Investments at December 31, 2019, consisted of investments with Colotrust which is stated at net asset value.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

H. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflow of resources in the governmental and enterprise funds.

I. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	50 years
Building Improvements	10-20 years
Water Distribution System	5-40 years
Wastewater Facilities	50 years
Vehicles, Machinery and Equipment	5-10 years
Infrastructure	10-20 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Under GASB 34 the town is not required to retroactively report on infrastructure assets before June 30, 2004. Therefore, infrastructure assets before that date are not shown on the financial statements.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

K. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

L. Compensated Absences

Accumulated unpaid vacation amounts are accrued as a liability as the benefits are earned, if the employees' rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate employees for the benefits through paid time off or some other means. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated liability at the fund reporting level only when due. Proprietary funds report the liability when incurred.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

M. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

N. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

O. Encumbrances

The Town does not use an encumbrance system for budgetary control.

P. Accounts Receivable

The Town considers accounts receivable for water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Q. Fund Equity

Beginning with fiscal year 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Fund Equity (continued)

- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

When expenditures are incurred for purposes for which both restricted and unrestricted net position are available, the Town considers restricted funds to have been spent first. When expenditures are 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 the Town Council has provided otherwise in its commitment or assignment actions.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.”

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 3 - Tax, Spending and Debt Limitations (continued)

In November 1998, a majority of the Town's electors approved a ballot issue permitting the Town, without increasing or adding any taxes of any kind, to collect, retain, and expend the full proceeds of the Town's fees, revenues and non-federal grants and to spend such revenue for debt service, municipal operations, capital projects, and any other lawful municipal operations, notwithstanding any state restrictions on fiscal year spending, including, without limitation the restrictions of Article X, Section 20, of the Colorado Constitution from the date of January 1, 1994 and thereafter.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General and Reserve Funds' fund balance are classified as restricted for emergencies as required by the Amendment. Total Emergency reserves for 2019 was \$155,600.

Note 4 - Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- A. By September of each year, the administrator gives public notice of the budget calendar for the next fiscal year. The administrator asks that all Town departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared. The administrator then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.
- B. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.
- C. A public hearing on the proposed budget is held by the Council in early December.
- D. The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.
- E. If during the fiscal year the administrator determines that there are expenses in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the administrator that the revenues available will be insufficient to meet the amount appropriated, the administrator reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the administrator may transfer part or all of any unencumbered appropriation balance within a department.
- F. Budget appropriations lapse at the end of each year.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 4 - Budgets (continued)

- G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There was two revisions made to the original budgeted expenditures for the year.
- H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.
- I. Budget for the Enterprise Funds are adopted on a basis consistent with the Governmental Funds.

Note 5 - Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2019, the bank balance of the Town's deposits was \$ 1,020,821 of which \$ 250,000 was covered by federal depository insurance and \$ 770,821 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments 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; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The Town has no formal investment policy. At December 31, 2019 the Town's investments included funds held in government Colotrust.

The Town had invested \$ 2,264,005 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 5 - Deposits and Investments (continued)

A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAAM by Standard and Poor's, Fitch's and Moody's rating services.

The composition of all cash and cash investments held by the Town at December 31, 2019 is as follows:

Cash on hand	\$ 400
Cash in bank	993,948
Colostrust	<u>2,264,005</u>
Total cash and investments	<u>\$ 3,258,353</u>

Note 6 - Interfund Transactions

Interfund Transfers

The outstanding balance between funds result mainly from the time lag between the date of payments between funds are made and borrowing from the pooled cash account.

The following are the interfund transfers that occurred in 2019:

Funds	Transfers	
	<u>In</u>	<u>Out</u>
General Fund	\$	\$ 602,672
Capital Improvement Fund	194,100	
Reserve Fund	5,230	
Grant Fund	157,680	
Conservation Trust Fund	210,262	
Street and alleys Fund	35,400	
Totals	<u>\$ 602,672</u>	<u>\$ 602,672</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 7 - Long-Term Liabilities

Schedule of Long-Term Debt

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due within one year
Governmental Activities					
Compensated absences	\$ 69,951	\$ -	\$ (9,528)	\$ 60,423	\$ 60,423
Total	<u>\$ 69,951</u>	<u>\$ -</u>	<u>\$ (9,528)</u>	<u>\$ 60,423</u>	<u>\$ 60,423</u>
Enterprise Activities					
Note payable-Alpine Bank	\$ 281,015	\$ -	\$ (19,594)	\$ 261,421	\$ 21,355
Compensated absences	12,291	-	(4,089)	8,202	8,202
Total	<u>\$ 293,306</u>	<u>\$ -</u>	<u>\$ (23,683)</u>	<u>\$ 269,623</u>	<u>\$ 29,557</u>

Alpine Bank

The Town entered into a note payable with Alpine Bank for \$250,000 on November 2005 to be used for the expansion of the water treatment plant. Payments are due in annual installments of \$17,926 due April 1, 2006 through 2029 at an interest of 3.70%.

Principal and interest payments are payable from income derived by the Town from operation of the water system. Principal and interest requirements for this loan are as follows:

	Principal	Interest	Totals
2020	\$ 14,407	\$ 3,520	\$ 17,927
2021	14,941	2,985	17,926
2022	15,495	2,431	17,926
2023	16,070	1,856	17,926
2024	16,667	1,260	17,927
2025 to 2029	17,417	509	17,926
Total	<u>\$ 94,997</u>	<u>\$ 12,561</u>	<u>\$ 107,558</u>

The town borrowed an additional \$175,000 at 4.25% on the loan in 2018 with an additional monthly payment of \$1,089.21.

Principal and interest payments are payable from income derived by the Town from operation of the water system. Principal and interest requirements for this loan are as follows:

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 7 - Long-Term Liabilities (continued)

	Principal	Interest	Totals
2020	\$ 6,121	\$ 6,949	\$ 13,070
2021	6,387	6,684	13,071
2022	6,664	6,407	13,071
2023	6,952	6,118	13,070
2024	7,254	6,817	14,071
2025 to 2029	41,265	24,088	65,353
2030 to 2034	51,016	14,337	65,353
2035 to 2039	40,765	3,024	43,789
Total	\$ 166,424	\$ 74,424	\$ 240,848

Note 8 - Contingent liabilities

Risk management

The Town is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town pays an annual premium to CIRSA Property/Casualty and Workers' Compensation for its general liability and workmen's compensation insurance coverage. The agreement with CIRSA will be self-sustaining through member premiums. CIRSA rate-setting policies are established by the Board of Directors, in consultation with independent actuaries. The Board of Directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

There were no settlements exceeding insurance coverage over the last three years.

Note 9 - Retirement Plans

Defined Contribution Plan

The Town participates in the Colorado County Officials and Employees Retirement Association Defined Contribution Plan (CCOERA), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Service Code Section 401 (A) and CRS 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Plan provisions and contribution requirements are established and may be amended by CCOERA and would have to be approved by the Town.

There are no unfunded past service liabilities. All of its full-time employees and regular part-time employees, who work 30 hours or more per week, are eligible to contribute to the plan. Employees are eligible to participate one year from the date of employment. Both the Town and the employees contribute 5% of the employee's monthly base salary to the plan. Employees may also make additional contributions up to a maximum of 10% of compensation.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 9 - Retirement Plans (continued)

Defined Contribution Plan (continued)

Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period. For the year ended December 31, 2019 the Town's total payroll was \$1,151,868, the total covered payroll by the retirement plan was \$689,240. During 2019, the Town and employees each made their respectively required contribution of \$34,462, for a total of \$68,924. Complete financial statements for the retirement plans may be obtained from CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Defined Benefit Plan- SWDB

The Town's police officers participate in the Statewide Defined Benefit Plan (SWDB), which is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

Contribution rates for the SWDB plan are set by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22 percent of base salary through 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 5 percent and 4 percent, respectively, of base salary for a total contribution rate of 9 percent through 2018.

Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Entity reported a net pension liability of \$ 55,543. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2018, the Town's proportion was 0.0439%, which was a decrease of 0.0059% from its proportion of 0.0380% measured as of December 31, 2017.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2018, the Town recognized pension expense of \$56,363 related to the SWDB.

At December 31, 2018, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 71,386	\$ 593
Changes in Assumptions	53,792	-
Net difference between projected and actual earnings		
on pension plan investments	43,693	-
Change in assumptions	-	-
Contributions subsequent to the measurement date	<u>23,543</u>	<u>-</u>
Total	<u>\$ 192,414</u>	<u>\$ 593</u>

The SWDB plan reported \$23,543 as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as an increase in net position asset in the year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$ 31,918
2020	\$ 22,797
2021	\$ 19,414
2022	\$ 32,121
2023	\$ 15,639
Thereafter	\$ 46,389

The January 1, 2019 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2018. The valuation used the following actuarial assumption and other inputs:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of payroll, Open
Amortization Period	30 years
Long-term Investment rate of return*	7.5%
Projected Salary Increases	4.0%-14.0%
Cola adjustment	0.0%
*Includes Inflation At	2.5%

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with a Scale BB.

The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitant, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is .00020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Illiquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.00%.

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

1% Decrease	Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$215,390	\$55,543	\$(77,046)

Note 10 - Capital Assets

Depreciation was charged to governmental activity functions/programs as follows:

General government	\$ 98,030
Public safety	23,988
Highway and streets	490,270
Culture and recreation	<u>144,538</u>
Total	<u>\$ 756,826</u>

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	\$ 75,039
Wastewater Fund	<u>24,061</u>
Total	<u>\$ 99,100</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2019

Note 10 - Capital Assets

	Balance January 1, 2019	Additions	Dispositions	Balance December 31, 2019
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,091,170	\$ 201,198	\$ -	\$ 3,292,368
	<u>3,091,170</u>	<u>201,198</u>	<u>-</u>	<u>3,292,368</u>
Capital assets being depreciated				
Buildings	3,282,846	1,004,569	-	4,287,415
Improvements/infrastructure	7,258,888	865,567	-	8,124,455
Furniture and equipment	258,680	15,696	-	274,376
Machinery and equipment	591,644	115,524	-	707,168
Vehicles	683,633	103,926	-	787,559
	<u>12,075,691</u>	<u>2,105,282</u>	<u>-</u>	<u>14,180,973</u>
Less accumulated depreciation				
Buildings	(1,136,243)	(111,569)	-	(1,247,812)
Improvements/infrastructure	(3,142,613)	(523,368)	-	(3,665,981)
Furniture and equipment	(150,296)	(30,652)	-	(180,948)
Machinery and equipment	(385,920)	(52,350)	-	(438,270)
Vehicles	(579,613)	(38,887)	-	(618,500)
	<u>(5,394,685)</u>	<u>(756,826)</u>	<u>-</u>	<u>(6,151,511)</u>
Capital asset being depreciated, net	<u>6,681,006</u>	<u>1,348,456</u>	<u>-</u>	<u>8,029,462</u>
Total Capital Assets	<u>\$ 9,772,176</u>	<u>\$ 1,549,654</u>	<u>\$ -</u>	<u>\$ 11,321,830</u>
	Balance January			Balance
	1, 2019	Additions	Dispositions	December 31, 2019
Business - Type Activities				
Capital assets not being depreciated				
Land and water rights	\$ 287,168	\$ -	\$ -	\$ 287,168
Capital assets being depreciated				
Water utility system	3,004,944	-	-	3,004,944
Wastewater utility system	1,019,132	-	-	1,019,132
Water and storage tanks	649,105	57,915	-	707,020
Machinery and equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Less accumulated depreciation	<u>(2,556,024)</u>	<u>(99,100)</u>	<u>-</u>	<u>(2,655,124)</u>
Capital assets being depreciated, net	<u>2,416,262</u>	<u>(41,185)</u>	<u>-</u>	<u>2,375,077</u>
Total Business-Type Activities Capital Assets	<u>\$ 2,703,430</u>	<u>\$ (41,185)</u>	<u>\$ -</u>	<u>\$ 2,662,245</u>

Town of Parachute
Schedule of Town's Proportionate Share of Net Pension Asset/Liability
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
Year Ended December 31, 2018 (Measurement Date)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's portion of the net pension assets (liability)	0.0439%	0.0380%	0.0446%
Town's proportionate share of the net pension asset (liability)	\$ (55,502)	\$ 54,604	\$ (15,402)
Town's covered payroll	\$ 294,287	\$ 222,016	\$ 218,150
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	-18.86%	24.59%	-7.06%
Plan fiduciary net position as a percentage of the total pension assets/(liability)	95.20%	106.30%	98.21%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, the Town is presenting information for those years for which information is available.

Town of Parachute
Schedule of Town's Contributions to Pension Plan
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 20,503	\$ 23,543	\$ 17,761	\$ 17,452
Contributions in relation to the contractually required contribution	<u>20,503</u>	<u>23,543</u>	<u>17,761</u>	<u>17,452</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 256,288	\$ 294,287	\$ 222,016	\$ 218,150
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, the Town is presenting information for those years for which information is available.

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2019

Revenues	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Property Tax	\$ 499,530	\$ 499,530	\$ 500,939	1,409
Sales Tax	1,807,000	1,807,000	1,934,387	127,387
Use Tax	50,000	50,000	15,492	(34,508)
Lodging Tax	60,000	60,000	105,447	45,447
Other Tax	5,200	5,200	11,897	6,697
Fines and Forfeitures	126,050	126,050	78,637	(47,413)
Licenses and Permits	28,500	28,500	49,235	20,735
State Mineral Severance	25,000	25,000	96,601	71,601
Sate Mineral Lease	90,000	90,000	185,143	95,143
State Grants	-	-	9,792	9,792
Miscellaneous	236,450	236,450	106,206	(130,244)
Interest	40,000	40,000	52,314	12,314
Total revenues	2,967,730	2,967,730	3,146,090	178,360
Expenditures				
Judicial	55,650	55,650	60,216	(4,566)
Executive and Legislative	633,470	553,470	525,142	28,328
Fiscal	53,520	53,520	57,956	(4,436)
Legal	50,000	50,000	54,231	(4,231)
Building	123,050	123,050	124,444	(1,394)
Community Development	759,780	739,780	448,576	291,204
Law Enforcement	563,560	563,560	549,463	14,097
Records Coordination	64,890	64,890	68,247	(3,357)
Engineering	40,000	40,000	42,634	(2,634)
Parks	204,400	204,400	199,688	4,712
Contributions	27,000	27,000	26,495	505
Total Expenditures	2,575,320	2,475,320	2,157,092	318,228
Excess of Revenues over (under) Expenditures	392,410	492,410	988,998	496,588
Other Financing Sources (Uses)				
Transfers (Out)	(392,410)	(602,672)	(602,672)	-
Change in available resources	-	(110,262)	386,326	496,588
Fund Balance, January 1	370,738	370,738	310,810	(59,928)
Fund Balance, December 31	\$ 370,738	\$ 260,476	\$ 697,136	\$ 436,660

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Reserve Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	5,230	5,230	5,230	-
Fund balance, January 1	<u>2,072,030</u>	<u>2,072,030</u>	<u>2,072,030</u>	<u>-</u>
Fund balance, December 31	<u><u>\$ 2,077,260</u></u>	<u><u>\$ 2,077,260</u></u>	<u><u>\$ 2,077,260</u></u>	<u><u>\$ -</u></u>

**Town of Parachute
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019**

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,886	\$ 80,131	\$ 28,751	\$ 111,768
Accounts receivable	-	6,705		6,705
Total assets	\$ 2,886	\$ 86,836	\$ 28,751	\$ 118,473
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ -	\$ 2,268	\$ -	\$ 2,268
Accrued Payroll	-	2,233	-	2,233
Total liabilities	-	4,501	-	4,501
Fund balances:				
Unreserved:	2,886	82,335	28,751	113,972
Total fund balances	2,886	82,335	28,751	113,972
Total liabilities and fund balances	\$ 2,886	\$ 86,836	\$ 28,751	\$ 118,473

Town of Parachute
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 42,357	\$ -	\$ 42,357
Intergovernmental	258,293	77,582	238,638	574,513
Interest Income	59	204	-	263
Total revenues	<u>258,352</u>	<u>120,143</u>	<u>238,638</u>	<u>617,133</u>
EXPENDITURES				
Street and Alleys	-	225,583	-	225,583
Parks and Recreation	-	-	367,643	367,643
Capital Outlay	552,061	-	-	552,061
Total expenditures	<u>552,061</u>	<u>225,583</u>	<u>367,643</u>	<u>1,145,287</u>
Excess revenues over (under) expenditures	(293,709)	(105,440)	(129,005)	(528,154)
Other Financing Sources (Uses)				
Transfers in (out)	210,262	35,400	157,680	403,342
Other Financing Sources (Uses)	<u>210,262</u>	<u>35,400</u>	<u>157,680</u>	<u>403,342</u>
Net change in fund balance	(83,447)	(70,040)	28,675	(124,812)
Fund balance, January 1	<u>86,333</u>	<u>152,375</u>	<u>76</u>	<u>238,784</u>
Fund balance, December 31	<u>\$ 2,886</u>	<u>\$ 82,335</u>	<u>\$ 28,751</u>	<u>\$ 113,972</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				(Unfavorable)
Revenues				
Grants	\$ -	\$ 100,000	\$ -	\$ (100,000)
Total revenues	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Expenditures				
Capital Outlay	560,500	1,760,000	1,449,453	310,547
Total expenditures	<u>560,500</u>	<u>1,760,000</u>	<u>1,449,453</u>	<u>310,547</u>
Excess of Revenues over				
(under) Expenditures	(560,500)	(1,660,000)	(1,449,453)	210,547
Other Financing Sources (Uses)				
Transfers in	176,600	276,600	194,100	82,500
Change in available resources	(383,900)	(1,383,400)	(1,255,353)	128,047
Fund Balance, January 1	<u>630,260</u>	<u>1,642,815</u>	<u>1,642,815</u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 246,360</u></u>	<u><u>\$ 259,415</u></u>	<u><u>\$ 387,462</u></u>	<u><u>\$ 128,047</u></u>

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Conservation Trust	\$ 5,000	\$ 5,000	\$ 106,353	\$ 101,353
Grants	145,000	175,000	151,940	(23,060)
Interest	20	20	59	39
Total revenues	<u>150,020</u>	<u>180,020</u>	<u>258,352</u>	<u>78,332</u>
Expenditures				
Capital Projects	240,000	576,440	552,061	24,379
Contingency	21,190	-	-	-
Total expenditures	<u>261,190</u>	<u>576,440</u>	<u>552,061</u>	<u>24,379</u>
Excess of Revenues over				
(under) Expenditures	(111,170)	(396,420)	(293,709)	53,953
Other Financing Sources (Uses)				
Transfers (Out)	25,000	210,262	210,262	-
Change in available resources	(86,170)	(186,158)	(83,447)	102,711
Fund Balance, January 1	86,179	86,179	86,333	154
Fund Balance, December 31	<u>\$ 9</u>	<u>\$ (99,979)</u>	<u>\$ 2,886</u>	<u>\$ 102,865</u>

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Street and Alleys Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 50,000	\$ 50,000	\$ 42,357	\$ (7,643)
Intergovernmental	70,000	70,000	77,582	7,582
Miscellaneous	-	-	204	204
Total revenues	120,000	120,000	120,143	143
Expenditures				
Street and Alleys	247,520	247,520	225,583	21,937
Total expenditures	247,520	247,520	225,583	21,937
Excess of Revenues over (under) Expenditures	(127,520)	(127,520)	(105,440)	22,080
Other Financing Sources (Uses)				
Transfers In	35,400	35,400	35,400	-
Change in available resources	(92,120)	(92,120)	(70,040)	22,080
Fund Balance, January 1	142,092	142,092	152,375	10,283
Fund Balance, December 31	\$ 49,972	\$ 49,972	\$ 82,335	\$ 32,363

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Grant Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Grant Revenues	\$ 268,000	\$ 293,000	\$ 238,638	\$ (54,362)
Total revenues	<u>268,000</u>	<u>293,000</u>	<u>238,638</u>	<u>(54,362)</u>
Expenditures				
Expenditures	418,180	450,680	367,643	83,037
Total expenditures	<u>418,180</u>	<u>450,680</u>	<u>367,643</u>	<u>83,037</u>
Excess of revenues over				
(under) expenditures	(150,180)	(157,680)	(129,005)	28,675
Other Financing Sources (Uses)				
Transfers (Out)	150,180	157,680	157,680	-
Change in available resources	-	-	28,675	28,675
Fund balance, January 1	<u>(2,124)</u>	<u>(2,124)</u>	<u>76</u>	<u>2,200</u>
Fund balance, December 31	<u><u>\$ (2,124)</u></u>	<u><u>\$ (2,124)</u></u>	<u><u>\$ 28,751</u></u>	<u><u>\$ 30,875</u></u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2019

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Charges for Services	\$ 411,580	\$ 411,580	\$ 420,595	\$ 9,015
Interest Income	30	30	51	21
Grants	-	-	22,707	22,707
Tap Fees	50,000	50,000	31,260	(18,740)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	462,610	462,610	474,613	12,003
Expenditures				
Personnel	184,920	184,920	185,197	(277)
Office	900	900	285	615
Operations Supplies	15,600	15,600	6,442	9,158
Water	12,000	12,000	16,005	(4,005)
Repairs and Maintenance	14,500	14,500	49,356	(34,856)
Purchased Services	18,000	18,000	2,840	15,160
Insurance	10,000	10,000	10,000	-
Utilities	36,000	36,000	32,287	3,713
Professional Services	9,000	9,000	14,666	(5,666)
Other Expenses	12,600	12,600	10,274	2,326
Debt Service	35,450	35,450	35,406	44
Capital Outlay	102,000	102,000	57,915	44,085
Contingency	7,580	7,580	-	7,580
Total expenditures	458,550	458,550	420,673	37,877
Excess of Revenues over				
(under) Expenditures	4,060	4,060	53,940	49,880
Available resources, January 1	22,366	22,366	216,838	194,472
Available resources, December 31	\$ 26,426	\$ 26,426	\$ 270,778	\$ 244,352

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2019

Revenues	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for Services	\$ 250,140	\$ 250,140	\$ 266,114	\$ 15,974
Interest Income	-	-	-	-
Grant Revenue	25,000	25,000	-	(25,000)
Tap Fees	50,000	50,000	11,197	(38,803)
Total revenues	325,140	325,140	277,311	(47,829)
Expenditures				
Personnel	42,060	42,060	40,843	1,217
Office	350	350	219	131
Operations Supplies	5,000	5,000	174	4,826
Treatment	110,000	110,000	156,723	(46,723)
Repairs and Maintenance	13,000	13,000	16,024	(3,024)
Purchased Services	530	530	528	2
Utilities	13,700	13,700	7,253	6,447
Professional Services	2,500	2,500	3,380	(880)
Other Expenses	3,000	3,000	6,237	(3,237)
Debt Service	4,780	4,780	-	4,780
Capital Outlay	65,000	65,000	-	-
Contingency	65,220	65,220	-	65,220
Total expenditures	325,140	325,140	231,381	93,759
Change in available resources	-	-	45,930	45,930
Available Resources, January 1	51,979	51,979	57,441	5,462
Available Resources, December 31	\$ 51,979	\$ 51,979	\$ 103,371	\$ 51,392

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Garbage Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Charges for Services	\$ 63,140	\$ 63,140	\$ 65,095	\$ 1,955
Total revenues	<u>63,140</u>	<u>63,140</u>	<u>65,095</u>	<u>1,955</u>
Expenditures				
Contract Hauler	63,140	63,140	60,808	2,332
Total expenditures	<u>63,140</u>	<u>63,140</u>	<u>60,808</u>	<u>2,332</u>
Excess of Revenues over				
(under) Expenditures	-	-	4,287	4,287
Available resources, January 1	<u>51,492</u>	<u>51,492</u>	<u>41,245</u>	<u>(10,247)</u>
Available resources, December 31	<u><u>\$ 51,492</u></u>	<u><u>\$ 51,492</u></u>	<u><u>\$ 45,532</u></u>	<u><u>\$ (5,960)</u></u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2019

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Charges for Services	\$ 26,000	\$ 26,000	\$ 22,644	\$ (3,356)
Total revenues	26,000	26,000	22,644	(3,356)
 Expenditures				
Personnel	66,670	66,670	46,398	20,272
Office	3,000	3,000	1,380	1,620
Operations Supplies	10,750	10,750	9,894	856
Repairs and Maintenance	800	800	5,305	(4,505)
Purchased Services	500	500	5,651	(5,151)
Insurance	-	-	1,000	(1,000)
Utilities	1,600	1,600	2,735	(1,135)
Professional Services	1,000	1,000	1,844	(844)
Other Expenses	3,000	3,000	5,298	(2,298)
Contingency	44,540	44,540	-	44,540
Total expenditures	131,860	131,860	79,505	52,355
 Excess of Revenues over				
(under) Expenditures	(105,860)	(105,860)	(56,861)	48,999
 Available resources, January 1	134,128	134,128	129,377	(4,751)
 Available resources, December 31	\$ 28,268	\$ 28,268	\$ 72,516	\$ 44,248

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Parachute
This Information From The Records Of: Town of Parachute	YEAR ENDING : Dec-19
Prepared By: Teresa Beecraft, Finance Director Phone: 970.285.7630	

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)	391,492
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	0
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	61,251
2. General fund appropriations	35,400	b. Snow and ice removal	2,738
3. Other local imposts (from page 2)	27,162	c. Other	27,494
4. Miscellaneous local receipts (from page 2)	40,280	d. Total (a. through c.)	91,483
5. Transfers from toll facilities	0	4. General administration & miscellaneous	129,715
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	612,690
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	102,842	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	120,886	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	223,728	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	612,690

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	152,375	155,355	225,583	82,147	82,147

Notes and Comments:

Less Dola Grant in Capital Fund	28,109.00
Less Traffic revenues in General fund	40,264.00
Less Capital construction on diamond avenue paid from Capital Fund	387,107.00

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
Dec-19

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	0	a. Interest on investments	16
b. Other local imposts:		b. Traffic Fines & Penalties	40,264
1. Sales Taxes	7,163	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	19,999	g. Other Misc. Receipts	0
6. Total (1. through 5.)	27,162	h. Other	0
c. Total (a. + b.)	27,162	i. Total (a. through h.)	40,280
	(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	57,583	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	35,195	d. Federal Transit Admin	0
d. DOLA Grants	28,109	e. U.S. Corps of Engineers	0
e. Garfield FMLD Grants	0	f. Other Federal	0
f. Cdot	0		
g. Total (a. through f.)	63,304	g. Total (a. through g.)	0
4. Total (1. + 2. + 3.f)	120,886	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		4,385	4,385
b. Engineering Costs		34,670	34,670
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		281,086	281,086
(3). System Preservation		71,351	71,351
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	352,437	352,437
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	391,492	391,492
			(Carry forward to page 1)

Notes and Comments:

Capital outlay was paid from Capital Fund instead of Street Fund
 Engineering costs, capacity improvements and system preservation 387,107

 Receipts from grant were received in capital Fund 28,109
 Traffic fines were received in General fund 40,264