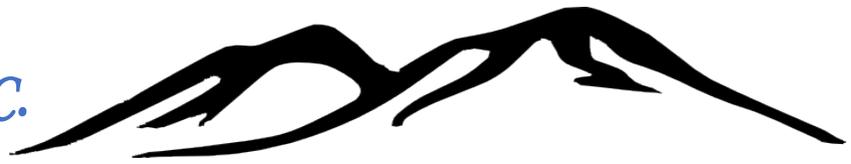

Town of Parachute
Financial Statements and
Independent Auditor's Report
as of
December 31, 2020

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, 2020, 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, 2020, 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 10, 2021

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, 2020. 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 \$17,721,298 (net position) as of December 31, 2020.

➤ Total net position is comprised of the following:

Net investment in capital assets in the amount of \$13,094,897 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

Net position \$145,000 is restricted for emergency reserves.

Net position of \$4,481,401, 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 \$3,984,409 this year. This compares to the prior year ending fund balance of \$3,275,830, an increase of \$708,579.

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 \$17,721,298. The following tables provide a summary of the Town's net position for 2020.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current Assets	4,532,801	3,935,000	664,684	537,771	5,197,485	4,472,771
Capital Assets	10,638,460	11,321,830	2,697,282	2,662,245	13,335,742	13,984,075
Total Assets	15,171,261	15,256,830	3,361,966	3,200,016	18,533,227	18,456,846
Deferred Outflows of Resources	117,089	192,414			117,089	192,414
Liabilities:						
Current Liabilities	201,600	204,759	51,384	66,929	252,984	271,688
Noncurrent Liabilities	-	-	240,845	240,066	240,845	240,066
Net pension liability	-	55,543	-	-	-	55,543
Total Liabilities	201,600	260,302	292,229	306,995	493,829	567,297
Deferred Inflows of Resources	435,189	515,427	-	-	435,189	515,427
Net Position:						
Net Investment in Capital Assets	10,638,460	11,321,830	2,456,437	2,400,824	13,094,897	13,722,654
Restricted	145,000	155,600			145,000	155,600
Unrestricted	3,868,101	3,196,085	613,300	492,197	4,481,401	3,688,282
Total Net Position	14,651,561	14,673,515	3,069,737	2,893,021	17,721,298	17,566,536

Note that approximately 74% of the Town's total net position is tied up in capital.

In 2020, revenues in the various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2020.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for Services	123,753	179,366	838,231	785,645	961,984	965,011
Operating Grants	90,661	106,293	-	-	90,661	106,293
Capital grants	190,285	510,578	200,000	22,707	390,285	533,285
General Revenues						
Property Taxes	430,290	500,939	-	-	430,290	500,939
Intergovernmental	253,334	291,536	-	-	253,334	291,536
Oil & Gas Lease	262,457	-			262,457	
Sales taxes and other	1,996,864	2,063,569	-	-	1,996,864	2,063,569
Franchise taxes	3,097	3,670	-	-	3,097	3,670
Miscellaneous	37,815	54,883	-	31,260	37,815	86,143
Interest income	16,544	52,389	49	51	16,593	52,440
Gain on Sale of Assets	92,675				92,675	
Transfers in (out)	(105,620)	-	105,620	-	-	-
Total Revenues	3,392,155	3,763,223	1,143,900	839,663	4,536,055	4,602,886
Expenses						
General Government	1,513,179	1,547,117	-	-	1,513,179	1,547,117
Public Safety	626,275	491,257	-	-	626,275	491,257
Highways & Streets	780,512	753,535	-	-	780,512	753,535
Culture & Recreation	494,143	320,835	79,587	79,505	573,730	400,340
Water	-	-	437,326	418,203	437,326	418,203
Wastewater	-	-	262,279	255,442	262,279	255,442
Garbage	-	-	61,270	60,808	61,270	60,808
Area Transit System			126,721		126,721	
Total Expenses	3,414,109	3,112,744	967,184	813,958	4,381,292	3,926,702
Increase (Decrease)						
In Net Position	(21,954)	650,479	176,716	25,705	154,762	676,184
Residual Transfer	-	-	-	-	-	-
Net Position - Beginning	14,673,515	14,023,036	2,893,021	2,867,316	17,566,536	16,890,352
Net Position - Ending	14,651,561	14,673,515	3,069,737	2,893,021	17,721,298	17,566,536

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2020, taxes equaled \$2,430,251 or 72% of total revenues of \$3,392,155 for the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs increased \$301,365 or 9% when compared to 2019. Public Safety comprises 18% of the Town's total governmental expenses, General Government at 45%, Highways and Street at 23%, Culture and Recreation at 14%.

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, 2020, the total fund balances of the Town's governmental funds were \$3,984,409. Approximately 27 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 (\$145,000), (2) capital reserves (\$580,528), (3) reserve for future operations (\$2,077,260) and (4) Parks and Open Space (\$8,644). The Town had Governmental revenues and other financing sources of \$3,392,155 and expenditures of \$3,414,109.

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, 2020, the total net position of the Town's proprietary funds was \$3,069,737. Approximately 20% or \$613,300 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 (\$2,456,437). The Town had Proprietary operating revenues, non-operating revenues, and contributions of \$1,143,900 and operating expenses and non-operating expenses of \$967,184.

Budgetary Highlights

The Town's budget is prepared in accordance with Colorado Revised Statutes.

	Original Appropriation	Amendments	Revised Appropriation	Actual Expenditures
General fund	3,234,760		3,234,760	2,715,200
Streets and Alleys Fund	226,440		226,440	221,853
Conservation Trust Fund	-		-	-
Grant Fund	1,253,590		1,253,590	115,128
Reserve Fund	-		-	-
Parachute Capital Improvement Fund	352,000		352,000	158,634
Water Fund	656,750		656,750	374,660
Waste Water Fund	294,670		294,670	291,511
Garbage Fund	103,140		103,140	61,270
Parachute Area Transit System	496,560		496,560	215,768
Parks and Recreation Fund	118,600		118,600	79,587
	<u>\$ 6,736,510</u>	<u>\$ -</u>	<u>\$ 6,736,510</u>	<u>\$ 4,233,611</u>

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2020, was \$10,638,460 for governmental activities and \$2,697,280 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	\$ 3,292,368	\$ 6,000	\$ -	\$ 3,298,368
Total Capital Assets Not Being Depreciated	3,292,368	6,000	-	3,298,368
Depreciable Capital Assets:				
Buildings	4,287,415	-	(95,507)	4,191,908
Improvements/Infrastructure	8,124,455	89,996	-	8,214,451
Furniture & Equipment	274,376	-	-	274,376
Machinery & Equipment	707,168	28,200	(13,297)	722,071
Vehicles	787,559	55,630	-	843,189
Total Depreciable Capital Assets	14,180,973	173,826	(108,804)	14,245,995
Accumulated Depreciation:				
Buildings	(1,247,812)	(115,080)	74,340	(1,288,552)
Improvements/Infrastructure	(3,665,981)	(573,896)	-	(4,239,877)
Furniture & Equipment	(180,948)	(27,240)	-	(208,188)
Machinery & Equipment	(438,270)	(58,434)	4,186	(492,518)
Vehicles	(618,500)	(58,268)	-	(676,768)
Total Accumulated Depreciation	(6,151,511)	(832,918)	78,526	(6,905,903)
Net Depreciable Capital Assets	8,029,462	(659,092)	(30,278)	7,340,092
Total Net Governmental Activities	\$11,321,830	\$ (653,092)	\$ (30,278)	\$10,638,460
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land and Water Rights	\$ 287,168	\$ -	\$ -	\$ 287,168
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	707,020	-	-	707,020
Machinery & Equipment	278,316	-	-	278,316
Vehicles	20,789	171,491	-	192,280
Total Depreciable Capital Assets	5,030,202	171,491	-	5,201,693
Accumulated Depreciation:				
Water Utility System	(1,514,092)	(67,266)	-	(1,581,358)
Wastewater System	(694,866)	(21,406)	-	(716,272)
Water Storage Tanks	(185,820)	(14,457)	-	(200,277)
Machinery & Equipment	(239,558)	(2,592)	-	(242,150)
Vehicles	(20,790)	(30,736)	-	(51,526)
Total Accumulated Depreciation	(2,655,126)	(136,457)	-	(2,791,583)
Net Depreciable Capital Assets	2,375,076	35,034	-	2,410,110
Total Business-Type Activities	\$2,662,245	\$ 35,035	\$ -	\$2,697,280

At December 31, 2020, the depreciable capital assets for governmental activities were 48% depreciated. As for the Town's business-type activities, 54% of the asset values were depreciated at December 31, 2020.

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

Long-term Debt

During the year ended December 31, 2020, 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.

Grant Funding / Projects

The Town of Parachute continues to receive grant funding for projects and other purposes. During 2020, the Town of Parachute received grant funding for the following:

Corona Virus Relief Fund (CVRF)..... \$96,050.82

This funding was for the reimbursement from the Federal Government for expenditures made by the Town specifically for and as a result of the COVID-19 pandemic.

CRAFT 101..... \$10,000

The CRAFT Studio 101 through the Colorado Tourism Office is a program that supports destinations that are in the early stages of the place lifecycle by providing tourism education and training to integrate tourism into economic development strategies. The Town participated in this program with a regional effort with the City of Rifle, the Towns of Silt and New Castle, the Western Garfield County Chamber of Commerce, and the Rifle Regional Economic Development Corporation.

A plan was developed and the group received the grant amount to implement a key priority identified by the regional group. It was determined to produce a brochure that demonstrated the many things that can be done in Western Garfield County / Colorado River Valley.

GOCO \$66,116.39

The Town was awarded a grant in 2018 by Great Outdoors Colorado (GOCO) to develop a plan for the Colorado River running through the Town. The project consisted of a plan to develop an outdoor recreation venue on a river island called the Parachute Island Park. It included the engineering for a bridge to access the island from the TOP Adventures parking lot.

GCFMLD..... \$25,000

The Town received the funding for Garfield County Federal Mineral Leasing District (GCFMLD) to reimburse the partial cost of the acquisition of a Police Vehicle.

During 2020, the Town limited its expenditures and projects due to the pandemic. In 2021, the Town has applied for several grants:

CDOT \$1,991,280

A grant from the Colorado Department of Transportation (CDOT) has been applied for to help fund a project to beautify and redevelop Cardinal Way.

CDOT \$150,000

A grant from the Colorado Department of Transportation (CDOT) has been applied for to help fund a project to install restrooms at the south end of the CDOT pedestrian bridge across I-70.

DOLA \$150,000

The Town has applied for a grant from the Colorado State Department of Local Affairs (DOLA) to help fund the construction of a community center/food court on Cardinal Way adjacent to the Wasson-McKay Park. The funding request also includes further development of the park.

CDS..... \$2,480,000

The Congressionally Directed Spending (CDS) is a request through Senators John Hickenlooper and Michael Bennet to help fund the repair and replacement of the Town’s current water and sewer systems.

These grants will require significant matching. The total cash match committed is \$ 1,443,365. This amount is included in the General Fund Balance and the Parachute Capital Improvement Fund Balance.

In 2019, the Town filed a lawsuit against SGM, Inc., the former Town’s contracted engineering firm for problems during the construction of several Public Works projects. The settlement of \$125,000 was received in 2021, taken back to 2020.

Economic Conditions Affecting the Town

In June 2016, the Town of Parachute Planning Commission adopted the updated Comprehensive Plan of the Town. The Town plans to update the comprehensive plan again during 2021. The previous SWOT analysis performed for the 2015 report identified issues. Action taken by the Town and updates to the points are reflected among the issues below.

Strengths

- Close proximity to the Piceance Basin — oil shale, natural gas, nahcolite (sodium bicarbonate) deposits
- Close proximity to I-70 and two major railroads (Union Pacific & Burlington Northern)
- Colorado River
- Roan Plateau & Book Cliffs rock formations
- Battlement Mesa Development – Potential for 25,000 residents – Three (3) square miles future land development
- Education facilities – Garfield District 16 (Parachute), Colorado Mountain College (Rifle/Glenwood Springs), and Colorado Mesa University (Grand Junction)
- Progressive leadership – Council and Town Manager

Additional strengths identified:

Location – the Town’s proximity to both Glenwood Springs and Grand Junction makes both cities accessible for shopping and other business

- Parachute can be considered the Day Trip Destination – Many destinations, both east and west are within a two-hour drive from the Town. Moab, UT; Fruita’ Grand Junction; Colorado Monument; DeBeque (Book Cliffs and Wild Horse area); Rifle; Glenwood Springs; Aspen; and Vail.

Weaknesses

- Single-based (natural gas) economy – In June 2015, the Town Council approved ordinance 683. The ordinance allowed marijuana establishments to be opened and regulated within the boundaries of the Town of Parachute. Since that time marijuana sales have become a significant source of sales tax revenue for the Town. The sales tax from marijuana sales has been close to 35.0% of total revenues since 2017.

Year	Marijuana Sales Tax Revenue
2016	\$ 284,180
2017	\$ 577,552
2018	\$ 483,977
2019	\$ 603,949
2020	\$ 660,557
2021*	\$ 645,280
Total	\$ 3,255,495

- Estimated

The weakness of the natural gas economy continues to strengthen with the approval of Senate Bill 19-181 and the new rules for the Colorado Oil and Gas Conservation Commission (COGCC). The industry will now have to abide by much more and stricter regulations enforced by the State of Colorado.

- Lack of retail and entertainment amenities – For several years, the Town has focused efforts towards providing additional outdoor activities for residents and visitors. In 2018, the Town opened its TOP Adventures operation. This venture includes rentals for water craft to float down a six (6) mile section of the Colorado River. In 2019, the Town installed a splash pad at Cottonwood Park. There are other ventures in the pipeline: Parachute Island Park, trails, hiking, biking, etc.
- Small population - Population is growing slowly. With the remodeling of Cottonwood View Apartments and other building, the Town has grown by approximately 30.0%.
- Competition from Grand Junction – Competition from Grand Junction is still an issue, but the rivalry with the City of Rifle is building. We have initiated more regional cooperation.
- Lack of off-highway amenities – Love’s Travel Stops has recently gone through special use review process and has been given approval to construct a new facility in the Town. The facility is planned to be completed fall 2021. Additionally, a McDonald’s and Godfathers Pizza will be co-located with Love’s. Hopefully this will be the first domino to fall for economic development.

Opportunities

- Sodium bicarbonate mineral deposits (soda ash industry) – Natural Soda Inc. is sitting on top of the resource. This year they are hitting production goals and will maintain this level of output for foreseeable future. However, given the right market conditions and investors they have the potential to expand their capacity relatively easily. The identified resource has an expected life of several hundred years at the current mining level. The potential is here to easily double, or even triple current capacity as the market and investors allow.
- Potential to annex property into Town – the Town has annexed several properties since 2015: T&T Associates (2017); John Lyons (2017); JWT Land Company (2018); KOPJE Ranch (2018); Battlement Mesa Partners (2020); and Ivo Lindaeur (2021). These annexations have added significant acreage to the Town boundaries. Other annexations are being considered at this time.

- Potential Oil Shale extraction companies – Caerus Oil and Gas LLC and Terra Energy Partners have acquired most of the industry property and assets in the area. Both XTO (Exxon) and Ursa have sold their assets and are no longer in the area. Hopefully the smaller independent companies can be more nimble/flexible and able to begin exploration drilling in the near future.
- Liquefied Natural Gas exports - Liquefied natural gas (LNG) is natural gas that has been cooled to a liquid state, at about -260° Fahrenheit, for shipping and storage. A facility is hoped to be built in Coos Bay, OR, to allow for this liquefaction and export to the Far East. The Federal government and the State of Oregon are both stumbling blocks in this effort.
- Business District development opportunity – A grant has been applied for from the Colorado Department of Transportation (CDOT) the help fund the beautification and redevelopment of Cardinal Way from CR300 to the CDOT pedestrian bridge. This work is intended to make economic development along the street more attractive to businesses and developers. The Town has also applied for a grant from the State of Colorado Department of Local Affairs (DOLA) for funding for a community center/food court. These two projects would help make development along Cardinal Way possible. The Town has also requested funding from the USDA for repair and replacement to the existing water and sewer system of the Town. This is an essential part of development and growth for the Town.
- Recreation and Tourism potential – The TOP Adventures operation mentioned above is the first step toward developing recreation and tourism for the Town. We also intend to develop Parachute Island Park with camping, fishing, disc golf, volleyball, picnicking, and hiking activities. We will need to apply for a grant to construct a bridge to the island as the first step to development. A trail plan will be imagined in 2022 with the help of funding from Garfield County. The Town acquired 70 acres in the northwest portion of the Town adjacent to Bureau of Land Management (BLM) acreage. It is to be determined what is to be developed at this location, but, at minimum, it provides access to the BLM property for hunting, hiking, etc.
- Neighborhood commercial development
- Adjacent I-70 Truck stop / Retail outlet developments – As mentioned earlier, a Love’s Travel Stop will be built at I-70 and Cardinal Way. Town staff is communication with potential developers for other property for both commercial and residential development.
- Medical and recreational marijuana dispensaries and grow facilities – Six (6) recreational retail shops are operating within the Town. This brings in a lot of sales tax revenue that allows the Town to continue operations and improve the Town through match dollars for grants.

Threats

- Commodity Prices / extraction technology – The advent of COVID-19 during 2020 and the new Presidential administration have prompted rapid inflation in all costs: building materials, gasoline, food, vehicles, etc. As inflation continues to grow, potential development in the Town becomes less attractive.
- Front range competing formations – Exploration drilling for natural gas is inherently more expensive in the mountain than on the Front Range. Once drilling resumes, the less expensive operations will be the first to start up again.
- Potential developments in Grand Junction and Rifle – The development in Grand Junction and Rifle continue to threaten economic growth in the Town of Parachute. Those are the closes population bases. Companies are more likely to look at those locations first.

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 and 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 that provide a food market, as well as home goods. The Town is working with Downtown Redevelopment Services on attracting a grocery store to the Town. Love's Travel Stops has submitted its building plans and site plan its planned facility in Town. The plans include a McDonald's and Godfather's Pizza fast food establishments. Starting with these businesses, 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 other franchises, creating events to attract regional visitors, and proactive marketing can begin to generate activities necessary for commerce. Since 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.

A high priority of the Town is the development of a high speed Internet network. The Town is working with Garfield School District 16, the Battlement Mesa Metropolitan District, the Grand Valley Fire Protection District, Parachute Battlement Mesa Parks and Recreation District, local churches, and a local developer to create a consortium for the provision of high speed Internet to the community (Parachute / Battlement Mesa).

Urban Renewal (URA) 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 tbeccraft@parachutecolorado.com or at 222 Grand Valley Way Parachute, CO 81635.

**Town of Parachute
Statement of Net Position
December 31, 2020**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,603,999	\$ 577,150	\$ 4,181,149
Property Taxes Receivable	406,245	-	406,245
Accounts Receivable	504,372	87,534	591,906
Net pension asset	18,185	-	18,185
Capital assets			
Nondepreciable	3,298,368	287,168	3,585,536
Depreciable, net of accumulated depreciation	7,340,092	2,410,114	9,750,206
Total assets	15,171,261	3,361,966	18,533,227
DEFERRED OUTFLOWS			
Deferred outflows of resources related to pensions	117,089	-	117,089
Total Deferred outflows	117,089	-	117,089
LIABILITIES			
Accounts Payable	94,818	25,976	120,794
Accrued payroll	29,145	10,557	39,702
Accrued compensated absences	77,638	12,984	90,622
Unearned revenues	-	1,867	1,867
Noncurrent liabilities:			
Due within one year	-	21,407	21,407
Due more than one year:	-	219,438	219,438
Total liabilities	201,600	292,229	493,829
Deferred inflows of resources			
Deferred property taxes	406,245	-	406,245
Deferred inflows of resources related to pensions	28,944	-	28,944
Total Deferred inflows of resources	435,189	-	435,189
NET POSITION			
Invested in capital assets	10,638,460	2,456,437	13,094,897
Restricted for:			
Tabor	145,000	-	145,000
Unrestricted	3,868,101	613,300	4,481,401
Total net position	\$ 14,651,561	\$ 3,069,737	\$ 17,721,298

The accompanying notes are an integral part of this statement.

**Town of Parachute
Statement of Activities
For the Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,513,179	\$ 84,819	\$ -	\$ 190,285
Public Safety	626,275	27,902	-	-
Highway and Streets	780,512	-	84,904	-
Culture and Recreation	494,143	11,032	5,757	-
Total governmental activities	<u>3,414,109</u>	<u>123,753</u>	<u>90,661</u>	<u>190,285</u>
Business-type activities:				
Water	437,326	436,160	-	-
Wastewater	262,279	305,230	-	-
Garbage	61,270	68,237	-	-
Parks and Recreation	79,587	26,169	-	-
Area Transit System	126,721	2,435	-	200,000
Total business- type activities	<u>967,184</u>	<u>838,231</u>	<u>-</u>	<u>200,000</u>
Total primary government	<u><u>\$ 4,381,292</u></u>	<u><u>\$ 961,984</u></u>	<u><u>\$ 90,661</u></u>	<u><u>\$ 390,285</u></u>

General Revenues

Taxes:

Sales and Use tax

Property Tax

Franchise taxes

Other Tax

Intergovernmental

Oil and Gas Lease

Unrestricted investment earnings

Miscellaneous

Gain on sale of assets

Transfers In (out)

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
\$ (1,238,075)	\$ -	\$ (1,238,075)
(598,373)	-	(598,373)
(695,608)	-	(695,608)
(477,354)	-	(477,354)
<u>- (3,009,410)</u>	<u>-</u>	<u>(3,009,410)</u>
-	(1,166)	(1,166)
-	42,951	42,951
-	6,966	6,966
-	(53,418)	(53,418)
-	75,714	75,714
<u>-</u>	<u>71,047</u>	<u>71,047</u>
<u>(3,009,410)</u>	<u>71,047</u>	<u>(2,938,363)</u>
1,921,182	-	1,921,182
430,290	-	430,290
3,097	-	3,097
75,682	-	75,682
253,334	-	253,334
262,457	-	262,457
16,544	49	16,593
37,815	-	37,815
92,675	-	92,675
(105,620)	105,620	-
<u>2,987,456</u>	<u>105,669</u>	<u>3,093,125</u>
(21,954)	176,716	154,762
14,673,515	2,893,021	17,566,536
<u>\$ 14,651,561</u>	<u>\$ 3,069,737</u>	<u>\$ 17,721,298</u>

The accompanying notes are an integral part of this statement.

**Town of Parachute
Governmental Funds
Balance Sheet
December 31, 2020**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Reserve Fund</u>
Assets			
Cash and Cash Equivalents	\$ 968,297	\$ 486,793	\$ 2,077,260
Property Taxes Receivable	406,245	-	-
Accounts Receivable	336,513	125,000	-
Total assets	<u>1,711,055</u>	<u>611,793</u>	<u>2,077,260</u>
Liabilities			
Accounts Payable	57,534	31,265	-
Accrued Payroll	26,114	-	-
Total Liabilities	<u>83,648</u>	<u>31,265</u>	<u>-</u>
Deferred inflows of resources			
Deferred property taxes	406,245	-	-
Total Deferred inflows of resources	<u>406,245</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted			
Parks and Open Space	-	-	-
Emergency Reserves	145,000	-	-
Assigned			
Future Operations	-	-	2,077,260
Streets and Alleys	-	-	-
Capital Projects	-	580,528	-
Unassigned	<u>1,076,162</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>1,221,162</u>	<u>580,528</u>	<u>2,077,260</u>
Total Liabilities, deferred inflows of resources and fund equity	<u>\$ 1,711,055</u>	<u>\$ 611,793</u>	<u>\$ 2,077,260</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 71,650	\$ 3,603,999
-	406,245
42,859	504,372
<u>114,509</u>	<u>4,514,616</u>
6,019	94,818
<u>3,030</u>	<u>29,145</u>
<u>9,049</u>	<u>123,962</u>
-	406,245
<u>-</u>	<u>406,245</u>
8,644	8,644
-	145,000
-	2,077,260
28,266	28,266
68,549	649,077
-	1,076,162
<u>105,459</u>	<u>3,984,409</u>
<u>\$ 114,509</u>	<u>\$ 4,514,616</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, 2020**

Total fund balance, governmental funds \$ 3,984,409

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	\$ 17,544,363	
Less accumulated depreciation	<u>(6,905,903)</u>	10,638,460

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	(77,638)
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Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.	106,330
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Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 14,651,561</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, 2020

	General Fund	Capital Improvement Fund	Reserve Fund
REVENUES			
Taxes	\$ 2,430,240	\$ -	\$ -
Licenses/Permits	52,793	-	-
Intergovernmental	253,333	-	-
Fines and Forfeitures	57,554	-	-
Miscellaneous	428,762	125,000	-
Interest	16,543	-	-
Total revenues	3,239,226	125,000	-
EXPENDITURES			
Current:			
Judicial	59,972	-	-
Executive and Legislative	621,464	-	-
Fiscal	63,981	-	-
Legal	50,761	-	-
Building	125,794	-	-
Community Development	384,218	-	-
Law Enforcement	553,811	-	-
Records Coordination	70,040	-	-
Street and Alley	57,543	-	-
Parks	194,405	-	-
Contributions	36,250	-	-
Capital Outlay	-	158,634	-
Total expenditures	2,218,240	158,634	-
Excess of Revenues over (under) Expenditures	1,020,986	(33,634)	-
Other Financing Sources (Uses)			
Transfers In	-	226,700	-
Transfers (Out)	(496,960)	-	-
Change in available resources	524,026	193,066	-
Fund Balances- January 1	697,136	387,462	2,077,260
Fund Balances- December 31	\$ 1,221,162	\$ 580,528	\$ 2,077,260

The accompanying notes are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 41,276	\$ 2,471,516
114,671	167,465
-	253,333
-	57,554
7,881	561,643
-	16,543
163,828	3,528,054
-	59,972
-	621,464
-	63,981
-	50,761
-	125,794
-	384,218
-	553,811
-	70,040
221,853	279,396
115,128	309,533
-	36,250
-	158,634
336,981	2,713,855
(173,153)	814,199
164,640	391,340
-	(496,960)
(8,513)	708,579
113,972	3,275,830
\$ 105,459	3,984,409

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, 2020

Net change in fund balances - total governmental funds \$ 708,579

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	\$ 179,826	
Depreciation expense	(832,918)	
Excess of capital outlay over depreciation	(653,092)	(653,092)

The net effect of various transactions involving capital assets (i.e. sales, trades and disposals) is to decrease net position.		(30,279)
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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		(17,215)
Pension expenses not in current year		(29,947)

Change in net position of governmental funds		\$ (21,954)
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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, 2020**

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
ASSETS			
Current Assets:			
Cash	\$ 305,987	\$ 99,278	\$ 48,197
Accounts receivable, net	45,107	32,983	9,444
Total current assets	<u>351,094</u>	<u>132,261</u>	<u>57,641</u>
Capital assets:			
Water Shares	282,101	-	-
Land	4,095	972	-
Property, plant and Equipment	3,916,707	1,178,130	-
Less accumulated depreciation	(1,950,568)	(823,203)	-
Total capital assets	<u>2,252,335</u>	<u>355,899</u>	<u>-</u>
Total Assets	<u><u>2,603,429</u></u>	<u><u>488,160</u></u>	<u><u>57,641</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,300	11,369	5,143
Accrued payroll	3,732	914	-
Accrued compensated absences	8,868	2,887	-
Unearned revenues	1,867	-	-
Notes Payable	21,407	-	-
Total current liabilities	<u>40,174</u>	<u>15,170</u>	<u>5,143</u>
Noncurrent Liabilities			
Notes Payable	219,438	-	-
Total noncurrent liabilities	<u>219,438</u>	<u>-</u>	<u>-</u>
Net Position			
Invested in capital assets, net of related debt	2,011,490	355,899	-
Unrestricted	332,327	117,091	52,498
Total Net Position	<u><u>\$ 2,343,817</u></u>	<u><u>\$ 472,990</u></u>	<u><u>\$ 52,498</u></u>

Parks and Recreation	Area Transit System	Total Enterprise Funds
\$ 50,968	\$ 72,720	\$ 577,150
-	-	87,534
<u>50,968</u>	<u>72,720</u>	<u>664,684</u>
-	-	282,101
-	-	5,067
-	106,857	5,201,694
-	(17,809)	(2,791,580)
-	<u>89,048</u>	<u>2,697,282</u>
<u>50,968</u>	<u>161,768</u>	<u>3,361,966</u>
1,023	4,141	25,976
607	5,304	10,557
240	989	12,984
-	-	1,867
-	-	<u>21,407</u>
<u>1,870</u>	<u>10,434</u>	<u>72,791</u>
-	-	<u>219,438</u>
-	-	<u>219,438</u>
-	89,048	2,456,437
49,098	62,286	613,300
<u>\$ 49,098</u>	<u>\$ 151,334</u>	<u>\$ 3,069,737</u>

Town of Parachute
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2020

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
Operating Revenues			
Charges for services	\$ 394,545	\$ 278,117	\$ 68,237
Other	41,616	27,114	-
Total operating revenues	<u>436,160</u>	<u>305,230</u>	<u>68,237</u>
Operating Expenses			
Operations	131,524	182,765	61,270
Personnel	211,918	44,110	-
Depreciation	83,242	35,405	-
Total operating expenses	<u>426,684</u>	<u>262,279</u>	<u>61,270</u>
Operating income (loss)	<u>9,476</u>	<u>42,951</u>	<u>6,966</u>
Nonoperating revenues (expenses)			
Interest income	49	-	-
Interest expense	(10,642)	-	-
Total nonoperating revenues (expenses)	<u>(10,593)</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers and and Capital Contributions	(1,117)	42,951	6,966
Contributions and Transfers			
Transfers	-	-	-
Grants	-	-	-
Total Contributions and Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(1,117)	42,951	6,966
Total net position, January 1	<u>2,344,934</u>	<u>430,039</u>	<u>45,532</u>
Total net position, December 31	<u>\$ 2,343,817</u>	<u>\$ 472,990</u>	<u>\$ 52,498</u>

Parks and Recreation	Area Transit System	Total
\$ 26,169	\$ 2,249	\$ 769,316
-	186	68,915
<u>26,169</u>	<u>2,435</u>	<u>838,231</u>
39,227	19,582	434,368
40,359	89,330	385,717
	17,809	136,457
<u>79,587</u>	<u>126,721</u>	<u>956,542</u>
<u>(53,418)</u>	<u>(124,286)</u>	<u>(118,311)</u>
-	-	49
-	-	(10,642)
-	-	(10,593)
		-
(53,418)	(124,286)	(128,904)
30,000	75,620	105,620
-	200,000	200,000
<u>30,000</u>	<u>275,620</u>	<u>305,620</u>
(23,418)	151,334	176,716
72,516	-	2,893,021
<u>\$ 49,098</u>	<u>\$ 151,334</u>	<u>3,069,737</u>

**Town of Parachute
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2020**

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
Cash Flows From Operating Activities			
Cash received from customer and others	\$ 428,000	\$ 297,978	\$ 66,034
Cash payments for personnel	(128,582)	(181,522)	(61,270)
Cash payments for goods and services	(222,462)	(43,865)	86
Net cash provided (used) by operating activities	<u>76,957</u>	<u>72,592</u>	<u>4,849</u>
Cash Flows from Noncapital Financing Activities			
Transfers	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Receipt of capital grants	-	-	-
Acquisition and construction of capital assets	-	(64,635)	-
Long term debt payment- principal	(20,576)	-	-
Long term debt payment- interest	(10,642)	-	-
Net cash provided (used) by capital and related financing activities	<u>(31,218)</u>	<u>(64,635)</u>	<u>-</u>
Cash Flows from Investing Activities			
Interest on investments	49	-	-
Net Cash provided by Investing Activities	<u>49</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	45,787	7,957	4,849
Cash balances, January 1	260,200	91,321	43,348
Cash balances, December 31	<u>\$ 305,987</u>	<u>\$ 99,278</u>	<u>\$ 48,197</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 9,476	\$ 42,951	\$ 6,966
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	83,242	35,405	-
Assets (increase) decrease:			
Accounts receivables	(8,530)	(7,252)	(2,203)
Liabilities increase (decrease):			
Accounts payable	(10,544)	245	86
Accrued payroll	390	243	-
Accrued compensated absences	2,552	1,000	-
Unearned revenues	370	-	-
Total adjustments	<u>67,480</u>	<u>29,641</u>	<u>(2,117)</u>
Net cash provided (used) by operating activities	<u>\$ 76,957</u>	<u>\$ 72,592</u>	<u>\$ 4,849</u>

<u>Parks and Recreation</u>	<u>Area Transit System</u>	<u>Total Enterprise Funds</u>
\$ 26,169	\$ 2,435	\$ 820,616
(38,797)	(13,291)	(423,462)
(39,756)	(85,188)	(391,185)
<u>(52,385)</u>	<u>(96,044)</u>	<u>5,969</u>
30,000	75,620	105,620
<u>30,000</u>	<u>75,620</u>	<u>105,620</u>
-	200,000	200,000
-	(106,856)	(171,491)
-	-	(20,576)
-	-	(10,642)
<u>-</u>	<u>93,144</u>	<u>(2,709)</u>
-	-	49
-	-	49
(22,385)	72,720	108,929
73,353	-	468,222
<u>\$ 50,968</u>	<u>\$ 72,720</u>	<u>\$ 577,151</u>
<u>\$ (53,418)</u>	<u>\$ (124,286)</u>	<u>\$ (118,311)</u>
-	17,809	136,457
-	-	(17,985)
603	4,142	(5,468)
190	5,304	6,127
240	987	4,779
-	-	370
<u>1,033</u>	<u>28,242</u>	<u>124,280</u>
<u>\$ (52,385)</u>	<u>\$ (96,044)</u>	<u>\$ 5,969</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2020

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, 2020

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.
- Area Transit System Fund, which account for the operations of the Town's public busing system, which is financed by user charges.

Town of Parachute
Notes to the Financial Statements
December 31, 2020

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, 2020, 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, 2020

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, 2020

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, 2020

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 Town 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, 2020

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, 2020

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 2020 was \$145,000.

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, 2020

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 were no 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, 2020, the bank balance of the Town's deposits was \$ 1,940,362 of which \$ 250,000 was covered by federal depository insurance and \$ 1,690,362 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, 2020 the Town's investments included funds held in government Colotrust.

The Town had invested \$ 2,280,536 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, 2020

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, 2020 is as follows:

Cash on hand	\$ 400
Cash in bank	1,900,209
Colotrust	<u>2,280,536</u>
Total cash and investments	<u>\$ 4,181,145</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 2020:

Funds	Transfers	
	In	Out
General Fund	\$	\$ 496,960
Capital Improvement Fund	226,700	
Grant Fund	89,640	
Area Transit System Fund	75,620	
Street and alleys Fund	75,000	
Park and Recreation	30,000	
Totals	<u>\$ 496,960</u>	<u>\$ 496,960</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2020

Note 7 - Long-Term Liabilities

Schedule of Long-Term Debt

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due within one year
Governmental Activities					
Compensated absences	\$ 60,423	\$ 17,215	\$ -	\$ 77,638	\$ 77,638
Total	<u>\$ 60,423</u>	<u>\$ 17,215</u>	<u>\$ -</u>	<u>\$ 77,638</u>	<u>\$ 77,638</u>
Enterprise Activities					
Note payable-Alpine Bank	\$ 261,421	\$ -	\$ (20,576)	\$ 240,845	\$ 21,407
Compensated absences	8,202	4,782	-	\$ 12,984	12,984
Total	<u>\$ 269,623</u>	<u>\$ 4,782</u>	<u>\$ (20,576)</u>	<u>\$ 253,829</u>	<u>\$ 34,391</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
2021	\$ 15,031	\$ 2,895	\$ 17,926
2022	15,572	2,354	17,926
2023	16,132	1,794	17,926
2024	16,713	1,213	17,926
2025	16,980	611	17,591
Total	<u>\$ 80,428</u>	<u>\$ 8,867</u>	<u>\$ 89,295</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, 2020

Note 7 - Long-Term Liabilities (continued)

	Principal	Interest	Totals
2021	\$ 6,376	\$ 6,694	\$ 13,070
2022	6,652	6,418	13,070
2023	6,941	6,130	13,071
2024	7,241	5,829	13,070
2025	7,555	5,515	13,070
2026 to 2030	42,981	22,372	65,353
2031 to 2035	53,138	12,215	65,353
2036 to 2039	29,533	1,570	31,103
Total	\$ 160,417	\$ 66,743	\$ 227,160

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 Retirement Association Defined Contribution Plan (CRA), 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, 2020

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, 2020 the Town's total payroll was \$1,225,356, the total covered payroll by the retirement plan was \$818,300. During 2020, the Town and employees each made their respectively required contribution of \$40,915, for a total of \$81,830. 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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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 for Urban Wage Earners and Clerical Workers (CPI-W).

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.

Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Town of Parachute
Notes to the Financial Statements
December 31, 2020

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

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 pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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

At December 31, 2020, the Entity reported a net pension asset of \$ 18,185. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension asset 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, 2019, the Town's proportion was 0.03215%, which was a decrease of 0.0118% from its proportion of 0.04393% measured as of December 31, 2018.

Town of Parachute
Notes to the Financial Statements
December 31, 2020

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2020, the Town recognized pension expense of \$29,947 related to the SWDB.

At December 31, 2020, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 61,542	\$ 356
Changes in Assumptions	34,530	-
Net difference between projected and actual earnings on pension plan investments	-	28,588
Change in assumptions	-	-
Contributions subsequent to the measurement date	21,017	-
Total	<u>\$ 117,089</u>	<u>\$ 28,944</u>

The SWDB plan reported \$21,017 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, 2020.

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	\$ 6,384
2020	\$ 3,908
2021	\$ 13,208
2022	\$ 1,145
2023	\$ 13,344
Thereafter	\$ 29,139

The January 1, 2020 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2019. 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*	7.0%
Projected Salary Increases	4.25%-11.25%
Cola adjustment	0.0%
*Includes Inflation At	2.5%

Town of Parachute
Notes to the Financial Statements
December 31, 2020

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 (assumed at 2.5 percent). 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Illiquid Alternatives	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
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, 2020

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 2.75% (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%
\$110,261	\$(18,185)	\$(124,715)

Note 10 - Capital Assets

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

General government	\$ 96,625
Public safety	38,445
Highway and streets	513,238
Culture and recreation	<u>184,610</u>
Total	<u>\$ 832,918</u>

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	\$ 83,242
Wastewater Fund	35,405
Area Transit System Fund	<u>17,809</u>
Total	<u>\$ 136,456</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2020

Note 10 - Capital Assets

	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,292,368	\$ 6,000	\$ -	\$ 3,298,368
	<u>3,292,368</u>	<u>6,000</u>	<u>-</u>	<u>3,298,368</u>
Capital assets being depreciated				
Buildings	4,287,415	-	(95,507)	4,191,908
Improvements/infrastructure	8,124,455	89,996	-	8,214,451
Furniture and equipment	274,376	-	-	274,376
Machinery and equipment	707,168	28,200	(13,297)	722,071
Vehicles	787,559	55,630	-	843,189
	<u>14,180,973</u>	<u>173,826</u>	<u>(108,804)</u>	<u>14,245,995</u>
Less accumulated depreciation				
Buildings	(1,247,812)	(115,080)	74,340	(1,288,552)
Improvements/infrastructure	(3,665,981)	(573,896)	-	(4,239,877)
Furniture and equipment	(180,948)	(27,240)	-	(208,188)
Machinery and equipment	(438,270)	(58,434)	4,186	(492,518)
Vehicles	(618,500)	(58,268)	-	(676,768)
	<u>(6,151,511)</u>	<u>(832,918)</u>	<u>78,526</u>	<u>(6,905,903)</u>
Capital asset being depreciated, net	<u>8,029,462</u>	<u>(659,092)</u>	<u>(30,278)</u>	<u>7,340,092</u>
Total Capital Assets	<u>\$ 11,321,830</u>	<u>\$ (653,092)</u>	<u>\$ (30,278)</u>	<u>\$ 10,638,460</u>
	Balance January 1, 2020	Additions	Dispositions	Balance December 31, 2020
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	707,020	-	-	707,020
Machinery and equipment	278,316	-	-	278,316
Vehicles	20,789	171,491	-	192,280
Less accumulated depreciation	<u>(2,655,124)</u>	<u>(136,456)</u>	<u>-</u>	<u>(2,791,580)</u>
Capital assets being depreciated, net	<u>2,375,077</u>	<u>35,035</u>	<u>-</u>	<u>2,410,112</u>
Total Business-Type Activities Capital Assets	<u>\$ 2,662,245</u>	<u>\$ 35,035</u>	<u>\$ -</u>	<u>\$ 2,697,280</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2020

Note 11 - Subsequent Events – Covid 19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Town’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

The Town is dependent on its workforce to deliver its services. Developments such as social distancing and shelter-in-place directives have impact the Town’s ability to deploy its workforce effectively. While expected to be temporary, prolonged workforce disruptions may negatively impact services and the Town’s overall liquidity.

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, 2019 (Measurement Date)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's portion of the net pension assets (liability)	0.03215%	0.0439%	0.0380%	0.0446%
Town's proportionate share of the net pension asset (liability)	\$ 18,185	\$ (55,502)	\$ 54,604	\$ (15,402)
Town's covered payroll	\$256,288	\$ 294,287	\$ 222,016	\$ 218,150
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	7.10%	-18.86%	24.59%	-7.06%
Plan fiduciary net position as a percentage of the total pension assets/(liability)	101.9%	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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 18,959	\$ 20,503	\$ 23,543	\$ 17,761	\$ 17,452
Contributions in relation to the contractually required contribution	<u>\$ 18,959</u>	<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>	<u>\$ -</u>
Town's covered payroll	\$ 236,988	\$ 256,288	\$ 294,287	\$ 222,016	\$ 218,150
Contributions as a percentage of covered payroll	8.00%	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, 2020

Revenues	Budgeted Amounts		Actual	Variance
	Original	Final		(Unfavorable)
Property Tax	\$ 514,910	\$ 514,910	\$ 430,290	\$ (84,620)
Sales Tax	1,820,000	1,820,000	1,879,660	59,660
Use Tax	40,000	40,000	41,522	1,522
Lodging Tax	90,000	90,000	64,836	(25,164)
Other Tax	8,000	8,000	13,933	5,933
Fines and Forfeitures	97,050	97,050	57,554	(39,496)
Licenses and Permits	31,900	31,900	52,793	20,893
State Mineral Severance	25,000	25,000	37,416	12,416
Sate Mineral Lease	150,000	150,000	33,410	(116,590)
State Grants	-	-	182,508	182,508
Miscellaneous	98,700	98,700	428,762	330,062
Interest	50,000	50,000	16,543	(33,457)
Total revenues	2,925,560	2,925,560	3,239,226	313,666
Expenditures				
Judicial	85,120	85,120	59,972	25,148
Executive and Legislative	781,870	781,870	621,464	160,406
Fiscal	58,320	58,320	63,981	(5,661)
Legal	50,000	50,000	50,761	(761)
Building	122,260	122,260	125,794	(3,534)
Community Development	615,480	615,480	384,218	231,262
Law Enforcement	569,100	569,100	553,811	15,289
Records Coordination	70,820	70,820	70,040	780
Engineering	40,000	40,000	57,543	(17,543)
Parks	213,650	213,650	194,405	19,245
Contributions	36,800	36,800	36,250	550
Capital Outlay	-	-	-	-
Total Expenditures	2,643,420	2,643,420	2,218,240	425,180
Excess of Revenues over (under) Expenditures	282,140	282,140	1,020,986	738,846
Other Financing Sources (Uses)				
Transfers (Out)	(591,340)	(591,340)	(496,960)	(94,380)
Change in available resources	(309,200)	(309,200)	524,026	833,226
Fund Balance, January 1	714,429	714,429	697,136	(17,293)
Fund Balance, December 31	\$ 405,229	\$ 405,229	\$ 1,221,162	\$ 815,933

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Reserve Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<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	-	-	-	-
Fund balance, January 1	<u>2,077,260</u>	<u>2,077,260</u>	<u>2,077,260</u>	<u>-</u>
Fund balance, December 31	<u>\$ 2,077,260</u>	<u>\$ 2,077,260</u>	<u>\$ 2,077,260</u>	<u>\$ -</u>

**Town of Parachute
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,644	\$ 25,571	\$ 37,435	\$ 71,650
Accounts receivable	-	6,526	36,333	42,859
Total assets	\$ 8,644	\$ 32,097	\$ 73,768	\$ 114,509
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ -	\$ 800	\$ 5,219	\$ 6,019
Accrued Payroll	-	3,030	-	3,030
Total liabilities	-	3,831	5,219	9,049
Fund balances:				
Unreserved:	8,644	28,266	68,549	105,459
Total fund balances	8,644	28,266	68,549	105,459
Total liabilities and fund balances	\$ 8,644	\$ 32,097	\$ 73,768	\$ 114,509

Town of Parachute
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 41,276	\$ -	\$ 41,276
Intergovernmental	5,757	43,628	65,286	114,671
Interest Income	1	7,880	-	7,881
Total revenues	<u>5,758</u>	<u>92,784</u>	<u>65,286</u>	<u>163,828</u>
EXPENDITURES				
Street and Alleys	-	221,853	-	221,853
Parks and Recreation	-	-	115,128	115,128
Total expenditures	<u>-</u>	<u>221,853</u>	<u>115,128</u>	<u>336,981</u>
Excess revenues over (under) expenditures	5,758	(129,069)	(49,842)	(173,153)
Other Financing Sources (Uses)				
Transfers in (out)	-	75,000	89,640	164,640
Other Financing Sources (Uses)	<u>-</u>	<u>75,000</u>	<u>89,640</u>	<u>164,640</u>
Net change in fund balance	5,758	(54,069)	39,798	(8,513)
Fund balance, January 1	<u>2,886</u>	<u>82,335</u>	<u>28,751</u>	<u>113,972</u>
Fund balance, December 31	<u>\$ 8,644</u>	<u>\$ 28,266</u>	<u>\$ 68,549</u>	<u>\$ 105,459</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	-	-	125,000	125,000
Total revenues	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Expenditures				
Capital Outlay	352,000	352,000	158,634	193,366
Total expenditures	<u>352,000</u>	<u>352,000</u>	<u>158,634</u>	<u>193,366</u>
Excess of Revenues over (under) Expenditures	(352,000)	(352,000)	(33,634)	(68,366)
Other Financing Sources (Uses)				
Transfers in	226,700	226,700	226,700	-
Change in available resources	(125,300)	(125,300)	193,066	318,366
Fund Balance, January 1	<u>415,969</u>	<u>415,969</u>	<u>387,462</u>	<u>(28,507)</u>
Fund Balance, December 31	<u><u>\$ 290,669</u></u>	<u><u>\$ 290,669</u></u>	<u><u>\$ 580,528</u></u>	<u><u>\$ 289,859</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Lottery funds	\$ 6,000	\$ 6,000	\$ 5,757	\$ (243)
Interest	-	-	1	1
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>5,758</u>	<u>(242)</u>
Expenditures				
Capital Projects	-	-	-	-
Contingency	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over				
(under) Expenditures	6,000	6,000	5,758	(242)
Fund Balance, January 1	4,842	4,842	2,886	(1,956)
Fund Balance, December 31	<u>\$ 10,842</u>	<u>\$ 10,842</u>	<u>\$ 8,644</u>	<u>\$ (2,198)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
Revenues				
Taxes	\$ 40,000	\$ 40,000	\$ 41,276	\$ 1,276
Intergovernmental	73,120	73,120	43,628	(29,492)
Miscellaneous	15	15	7,880	7,865
Total revenues	<u>113,135</u>	<u>113,135</u>	<u>92,784</u>	<u>(20,351)</u>
Expenditures				
Street and Alleys	226,440	226,440	221,853	4,587
Total expenditures	<u>226,440</u>	<u>226,440</u>	<u>221,853</u>	<u>4,587</u>
Excess of Revenues over (under) Expenditures	(113,305)	(113,305)	(129,069)	(15,764)
Other Financing Sources (Uses)				
Transfers In	75,000	75,000	75,000	-
Change in available resources	(38,305)	(38,305)	(54,069)	(15,764)
Fund Balance, January 1	99,723	99,723	82,335	(17,388)
Fund Balance, December 31	<u>\$ 61,418</u>	<u>\$ 61,418</u>	<u>\$ 28,266</u>	<u>\$ (33,152)</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Grant Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Grant Revenues	\$ 993,950	\$ 993,950	\$ 65,286	\$ (928,664)
Total revenues	<u>993,950</u>	<u>993,950</u>	<u>65,286</u>	<u>(928,664)</u>
Expenditures				
Expenditures	1,253,590	1,253,590	115,128	1,138,462
Total expenditures	<u>1,253,590</u>	<u>1,253,590</u>	<u>115,128</u>	<u>1,138,462</u>
Excess of revenues over				
(under) expenditures	(259,640)	(259,640)	(49,842)	209,798
Other Financing Sources (Uses)				
Transfers (Out)	259,640	259,640	89,640	170,000
Change in available resources	-	-	39,798	39,798
Fund balance, January 1	<u>16,969</u>	<u>16,969</u>	<u>28,751</u>	<u>11,782</u>
Fund balance, December 31	<u>\$ 16,969</u>	<u>\$ 16,969</u>	<u>\$ 68,549</u>	<u>\$ 51,580</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2020

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Charges for Services	\$ 417,880	\$ 417,880	\$ 394,545	\$ (23,335)
Interest Income	45	45	49	4
Tap Fees	30,000	30,000	-	(30,000)
Miscellaneous	200	200	41,616	41,416
Total revenues	448,125	448,125	436,209	(11,916)
Expenditures				
Personnel	183,900	183,900	211,918	(28,018)
Office	700	700	675	25
Operations Supplies	11,600	11,600	6,635	4,965
Water	17,000	17,000	12,237	4,763
Repairs and Maintenance	34,500	34,500	48,217	(13,717)
Purchased Services	8,000	8,000	4,577	3,423
Insurance	10,000	10,000	12,341	(2,341)
Utilities	36,000	36,000	30,675	5,325
Professional Services	9,000	9,000	8,477	523
Other Expenses	4,600	4,600	7,690	(3,090)
Debt Service	120,525	120,525	31,218	89,307
Capital Outlay	90,925	90,925	-	90,925
Contingency	130,000	130,000	-	130,000
Total expenditures	656,750	656,750	374,660	282,090
Excess of Revenues over				
(under) Expenditures	(208,625)	(208,625)	61,549	270,174
Change in available resources	(208,625)	(208,625)	61,549	270,174
Available resources, January 1	296,753	296,753	270,778	(25,975)
Available resources, December 31	\$ 88,128	\$ 88,128	\$ 332,327	\$ 244,199

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2020

Revenues	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for Services	\$ 250,000	\$ 250,000	\$ 278,117	\$ 28,117
Grant Revenue	-	-	25,000	25,000
Tap Fees	15,000	15,000	-	(15,000)
Miscellaneous	-	-	2,114	2,114
Total revenues	265,000	265,000	305,230	40,230
Expenditures				
Personnel	41,810	41,810	44,110	(2,300)
Office	350	350	115	235
Operations Supplies	5,000	5,000	4,504	496
Treatment	110,000	110,000	139,836	(29,836)
Repairs and Maintenance	13,000	13,000	18,168	(5,168)
Purchased Services	530	530	1,235	(705)
Utilities	13,700	13,700	7,386	6,314
Professional Services	2,500	2,500	5,967	(3,467)
Other Expenses	3,000	3,000	5,557	(2,557)
Debt Service	4,780	4,780	-	4,780
Capital Outlay	-	-	64,635	(64,635)
Contingency	100,000	100,000	-	100,000
Total expenditures	294,670	294,670	291,511	3,159
Change in available resources	(29,670)	(29,670)	13,719	43,389
Available Resources, January 1	65,498	65,498	103,371	37,873
Available Resources, December 31	\$ 35,828	\$ 35,828	\$ 117,090	\$ 81,262

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Garbage Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
Charges for Services	\$ 65,000	\$ 65,000	\$ 68,237	\$ 3,237
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>68,237</u>	<u>3,237</u>
 Expenditures				
Contract Hauler	63,140	63,140	61,270	1,870
Contingency	40,000	40,000	-	40,000
Total expenditures	<u>103,140</u>	<u>103,140</u>	<u>61,270</u>	<u>41,870</u>
 Excess of Revenues over				
(under) Expenditures	(38,140)	(38,140)	6,966	45,106
 Available resources, January 1	<u>50,782</u>	<u>50,782</u>	<u>45,532</u>	<u>(5,250)</u>
 Available resources, December 31	<u><u>\$ 12,642</u></u>	<u><u>\$ 12,642</u></u>	<u><u>\$ 52,498</u></u>	<u><u>\$ 39,856</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, 2020

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Charges for Services	\$ 36,000	\$ 36,000	\$ 26,169	\$ (9,831)
Total revenues	36,000	36,000	26,169	(9,831)
 Expenditures				
Personnel	62,950	62,950	40,359	22,591
Office	3,000	3,000	3,108	(108)
Operations Supplies	10,750	10,750	5,702	5,048
Repairs and Maintenance	800	800	12,340	(11,540)
Purchased Services	1,000	1,000	5,921	(4,921)
Insurance	-	-	500	(500)
Utilities	1,600	1,600	2,712	(1,112)
Professional Services	1,000	1,000	395	605
Other Expenses	2,500	2,500	8,549	(6,049)
Contingency	35,000	35,000	-	35,000
Total expenditures	118,600	118,600	79,587	39,013
Excess of Revenues over (under) Expenditures	(82,600)	(82,600)	(53,418)	29,182
 Other Financing Sources (Uses)				
Transfers in	30,000	30,000	30,000	-
Change in available resources	(52,600)	(52,600)	(23,418)	29,182
Available resources, January 1	75,192	75,192	72,516	(2,676)
Available resources, December 31	\$ 22,592	\$ 22,592	\$ 49,098	\$ 26,506

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Area Transit System Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				Favorable
				(Unfavorable)
Grants	\$ 352,900	\$ 352,900	\$ 200,000	\$ (152,900)
Charges for Services	99,840	99,840	2,249	(97,591)
Miscellaneous	-	-	186	
Total revenues	<u>452,740</u>	<u>452,740</u>	<u>202,435</u>	<u>(250,491)</u>
Expenditures				
Personnel	381,000	381,000	89,330	291,670
Office	1,000	1,000	-	1,000
Operations Supplies	5,000	5,000	4,460	540
Repairs and Maintenance	10,000	10,000	1,344	8,656
Purchased Services	3,500	3,500	1,489	2,011
Insurance	2,080	2,080	-	2,080
Utilities	2,880	2,880	667	2,213
Professional Services	10,000	10,000	411	9,589
Other Expenses	56,100	56,100	11,211	44,889
Capital Outlay	-	-	106,856	(106,856)
Contingency	25,000	25,000	-	25,000
Total expenditures	<u>496,560</u>	<u>496,560</u>	<u>215,768</u>	<u>280,792</u>
Excess of Revenues over				
(under) Expenditures	(43,820)	(43,820)	(13,333)	30,487
Other Financing Sources (Uses)				
Transfers in	75,620	75,620	75,620	-
Change in available resources	31,800	31,800	62,287	30,487
Available resources, January 1	-	-	-	-
Available resources, December 31	<u>\$ 31,800</u>	<u>\$ 31,800</u>	<u>\$ 62,287</u>	<u>\$ 30,487</u>

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
	YEAR ENDING : Dec-20
This Information From The Records Of: Town of Parachute	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)	41,957
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,281
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	43,637
2. General fund appropriations	75,000	b. Snow and ice removal	10,953
3. Other local imposts (from page 2)	15,319	d. Total (a. through c.)	82,052
4. Miscellaneous local receipts (from page 2)	16,134	4. General administration & miscellaneous	134,264
5. Transfers from toll facilities	0	5. Highway law enforcement and safety	0
6. Proceeds of sale of bonds and notes:		6. Total (1 through 5)	263,553
a. Bonds - Original Issues	0	B. Debt service on local obligations:	
b. Bonds - Refunding Issues	0	1. Bonds:	
c. Notes	0	a. Interest	0
d. Total (a. + b. + c.)	0	b. Redemption	0
7. Total (1 through 6)	106,453	c. Total (a. + b.)	0
B. Private Contributions	0	2. Notes:	
C. Receipts from State government		a. Interest	0
(from page 2)	77,465	b. Redemption	0
D. Receipts from Federal Government		c. Total (a. + b.)	0
(from page 2)	0	3. Total (1.c + 2.c)	0
E. Total receipts (A.7 + B + C + D)	183,918	C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	263,553

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
	82,335	167,784	221,852	28,267	28,267

Notes and Comments:

Less Dola Grant in Capital Fund	0.00
Less Traffic revenues in General fund	16,134.00
Less striping and maintenance in capital fund	41,701.00

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LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
Dec-20

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	0
b. Other local imposts:		b. Traffic Fines & Penalties	16,134
1. Sales Taxes	7,439	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	7,880	g. Other Misc. Receipts	0
6. Total (1. through 5.)	15,319	h. Other	0
c. Total (a. + b.)	15,319	i. Total (a. through h.)	16,134
	(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	43,628	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	33,837	d. Federal Transit Admin	0
d. DOLA Grants	0	e. U.S. Corps of Engineers	0
e. Garfield FMLD Grants	0	f. Other Federal	0
f. Cdot	0		
g. Total (a. through f.)	33,837	g. Total (a. through g.)	0
4. Total (1. + 2. + 3.f)	77,465	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		256	256
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		41,701	41,701
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	41,701	41,701
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	41,957	41,957
			(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 41,701
 0
 Traffic fines were received in General fund 16,134