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Town of Parachute  
Financial Statements and  
Independent Auditor's Report  
as of  
December 31, 2022

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**Town of Parachute**

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INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Parachute, Colorado  
222 Grand Valley Way  
Parachute, Colorado 81635

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Parachute, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Parachute, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Parachute, Colorado, as of December 31, 2022, 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.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Parachute, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Parachute, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

**Certified Public Accountants**

- Obtain an understanding of internal control relevant to the audit 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 Town of Parachute, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Parachute, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 25, 2023

## **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, 2022. 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 \$18,745,380 (net position) as of December 31, 2022.

- Total net position is comprised of the following:

Net investment in capital assets in the amount of \$12,004,628 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

Net position \$202,600 is restricted for emergency reserves.

Net position of \$6,538,152, 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 \$5,525,834 this year. This compares to the prior year ending fund balance of \$4,683,419 an increase of \$842,419.

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 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 \$18,745,380. The following tables provide a summary of the Town's net position for 2022.

|                                  | Governmental Activities |            | Business-type Activities |           | Total      |            |
|----------------------------------|-------------------------|------------|--------------------------|-----------|------------|------------|
|                                  | 2022                    | 2021       | 2022                     | 2021      | 2022       | 2021       |
| <b>Assets:</b>                   |                         |            |                          |           |            |            |
| Current Assets                   | 5,299,604               | 5,299,604  | 1,203,950                | 913,977   | 6,503,554  | 6,213,581  |
| Capital Assets                   | 10,090,553              | 10,090,553 | 2,468,684                | 2,558,746 | 12,559,237 | 12,649,299 |
| Total Assets                     | 16,084,481              | 15,390,157 | 3,672,634                | 3,472,723 | 19,757,115 | 18,862,880 |
| Deferred Outflows of Resources   | 107,973                 | 122,762    |                          |           | 107,973    | 122,762    |
| <b>Liabilities:</b>              |                         |            |                          |           |            |            |
| Current Liabilities              | 226,803                 | 223,717    | 105,514                  | 76,847    | 332,317    | 300,564    |
| Noncurrent Liabilities           | -                       | -          | 175,415                  | 197,458   | 175,415    | 197,458    |
| Net pension liability            | -                       | -          | -                        | -         | -          | -          |
| Total Liabilities                | 226,803                 | 223,717    | 280,929                  | 274,305   | 507,732    | 498,022    |
| Deferred Inflows of Resources    | 611,976                 | 475,149    | -                        | -         | 611,976    | 475,149    |
| <b>Net Position:</b>             |                         |            |                          |           |            |            |
| Net Investment in Capital Assets | 9,733,583               | 10,090,553 | 2,271,045                | 2,339,064 | 12,004,628 | 12,429,617 |
| Restricted                       | 202,600                 | 202,600    |                          |           | 202,600    | 202,600    |
| Unrestricted                     | 5,417,492               | 4,520,899  | 1,120,660                | 859,354   | 6,538,152  | 5,380,253  |
| Total Net Position               | 15,353,675              | 14,814,052 | 3,391,705                | 3,198,418 | 18,745,380 | 18,012,470 |

Note that approximately 64% of the Town's total net position is tied up in capital assets.

In 2022, revenues in the various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2022.

|                          | Governmental Activities |                  | Business-type Activities |                  | Total            |                  |
|--------------------------|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
|                          | 2022                    | 2021             | 2022                     | 2021             | 2022             | 2021             |
| <b>Revenues</b>          |                         |                  |                          |                  |                  |                  |
| Program revenues         |                         |                  |                          |                  |                  |                  |
| Charges for Services     | 190,055                 | 145,930          | 897,059                  | 876,931          | 1,087,114        | 1,022,861        |
| Operating Grants         | 98,438                  | 99,761           | 101,316                  | 17,250           | 199,754          | 117,011          |
| Capital grants           | 349,717                 | 268,275          | 250,000                  | 300,000          | 599,717          | 568,275          |
| General Revenues         |                         |                  |                          |                  |                  |                  |
| Property Taxes           | 393,697                 | 483,086          | -                        | -                | 393,697          | 483,086          |
| Intergovernmental        | 265,770                 | 180,243          | -                        | -                | 265,770          | 180,243          |
| Oil & Gas Lease          | 86,324                  | 54,477           |                          |                  | 86,324           | 54,477           |
| Sales taxes and other    | 2,791,239               | 2,258,570        | -                        | -                | 2,791,239        | 2,258,570        |
| Franchise taxes          | 2,363                   | 2,286            | -                        | -                | 2,363            | 2,286            |
| Miscellaneous            | 21,561                  | 33,157           | -                        | -                | 21,561           | 33,157           |
| Interest income          | 40,004                  | 1,104            | 61                       | 49               | 40,065           | 1,153            |
| Gain on Sale of Assets   | 55,700                  | -                |                          |                  | 55,700           | -                |
| Transfers in (out)       | (100,000)               | (95,270)         | 100,000                  | 95,270           | -                | -                |
| <b>Total Revenues</b>    | <b>4,194,868</b>        | <b>3,431,619</b> | <b>1,348,436</b>         | <b>1,289,500</b> | <b>5,543,304</b> | <b>4,721,119</b> |
| <b>Expenses</b>          |                         |                  |                          |                  |                  |                  |
| General Government       | 1,529,442               | 1,439,759        | -                        | -                | 1,529,442        | 1,439,759        |
| Public Safety            | 605,958                 | 600,775          | -                        | -                | 605,958          | 600,775          |
| Highways & Streets       | 1,069,727               | 895,100          | -                        | -                | 1,069,727        | 895,100          |
| Culture & Recreation     | 450,118                 | 333,494          | 3,536                    | 70,238           | 453,654          | 403,732          |
| Water                    | -                       | -                | 462,320                  | 459,465          | 462,320          | 459,465          |
| Wastewater               | -                       | -                | 277,923                  | 255,555          | 277,923          | 255,555          |
| Garbage                  | -                       | -                | 67,029                   | 62,420           | 67,029           | 62,420           |
| Area Transit System      |                         |                  | 341,341                  | 313,139          | 341,341          | 313,139          |
| <b>Total Expenses</b>    | <b>3,655,245</b>        | <b>3,269,128</b> | <b>1,152,149</b>         | <b>1,160,817</b> | <b>4,807,394</b> | <b>4,429,945</b> |
| Increase (Decrease)      |                         |                  |                          |                  |                  |                  |
| In Net Position          | 539,623                 | 162,491          | 193,287                  | 128,683          | 732,910          | 291,174          |
| Residual Transfer        |                         | -                | -                        | -                | -                | -                |
| Net Position - Beginning | 14,814,052              | 14,651,561       | 3,198,418                | 3,069,735        | 18,012,470       | 17,721,296       |
| Net Position - Ending    | 15,353,675              | 14,814,052       | 3,391,705                | 3,198,418        | 18,745,380       | 18,012,470       |

## **GOVERNMENTAL REVENUES**

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2022, taxes equaled \$3,187,299 or 76 % of total revenues of \$4,194,868 for the Town.

## **GOVERNMENTAL FUNCTIONAL EXPENSES**

Overall operating costs increased \$386,117, an increase of 11% when compared to 2021. Public Safety comprises 17 % of the Town's total governmental expenses, General Government at 42 %, Highways and Street at 29%, Culture and Recreation at 12%.

## **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

### **Governmental Funds**

Information about the Town's governmental funds begins on page 17. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2022, the total fund balances of the Town's governmental funds were \$5,525,834. Approximately 30 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 (\$202,600), (2) capital reserves (\$1,068,664), (3) reserve for future operations (\$2,077,260) and (4) Parks and Open Space (\$29,993). The Town had Governmental revenues and other financing sources of \$4,194,868 and expenditures of \$3,655,245.

### **Proprietary Funds**

Information about the Town's proprietary funds begins on page 23. These funds are accounted for using the accrual basis of accounting.

As of December 31, 2022, the total net position of the Town's proprietary funds was \$3,391,705. Approximately 33 % or \$1,120,660 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 (\$2,271,045). The Town had Proprietary operating revenues, non-operating revenues, and contributions of \$1,348,436 and operating expenses and non-operating expenses of \$1,152,149.

## Budgetary Highlights

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

|                                    | Original<br>Appropriation | Amendments             | Revised<br>Appropriation | Actual<br>Expenditures |
|------------------------------------|---------------------------|------------------------|--------------------------|------------------------|
| General Fund                       | 3,995,765                 | (51,020)               | 3,944,745                | 3,654,887              |
| Streets and Alleys Fund            | 260,880                   | 1,853                  | 262,733                  | 262,011                |
| Conservation Trust Fund            | 60,000                    |                        | 60,000                   | 44,928                 |
| Grant fund                         | 1,454,990                 | (500,000)              | 954,990                  | 385,299                |
| Reserve Fund                       | -                         |                        | -                        | -                      |
| Parachute Capital Improvement Fund | 981,500                   | (410,000)              | 571,500                  | 395,164                |
| Water fund                         | 559,590                   | 168,969                | 728,559                  | 42,785                 |
| Waste Water fund                   | 373,270                   | 23,200                 | 396,470                  | 243,590                |
| Garbage Fund                       | 63,140                    | 5,000                  | 68,140                   | 67,029                 |
| Parachute Area Transit System      | 285,580                   | 67,218                 | 352,798                  | 344,190                |
| Parks and Recreation Fund          | 88,170                    | (84,170)               | 4,000                    | 3,536                  |
|                                    | <b>\$ 8,122,885.00</b>    | <b>\$ (778,950.00)</b> | <b>\$ 7,343,935.00</b>   | <b>\$ 5,443,419.00</b> |

## Capital Assets and Debt Administration

### Capital Assets

The Town's net investment in capital assets as of December 31, 2022, was \$9,733,583 for governmental activities and \$2,468,684 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<br>Balance | Additions           | Disposition<br>s   | Ending<br>Balance   |
|--|----------------------|---------------------|--------------------|---------------------|
| <b>Governmental Activities:</b>          |                      |                     |                    |                     |
| Capital Assets Not Being Depreciated:    |                      |                     |                    |                     |
| Land                                     | \$ 3,298,368         | \$ -                | \$ -               | \$ 3,298,368        |
| Total Capital Assets Not Being Depreciat | 3,298,368            | -                   | -                  | 3,298,368           |
| Depreciable Capital Assets:              |                      |                     |                    |                     |
| Buildings                                | 4,302,273            | 221,520             | -                  | 4,523,793           |
| Improvements/Infrastructure              | 8,214,451            | -                   | -                  | 8,214,451           |
| Furniture & Equipment                    | 315,121              | -                   | -                  | 315,121             |
| Machinery & Equipment                    | 769,845              | 128,033             | (106,069)          | 791,809             |
| Vehicles                                 | 928,149              | 105,636             | (35,991)           | 997,794             |
| Total Depreciable Capital Assets         | 14,529,839           | 455,189             | (142,060)          | 14,842,968          |
| Accumulated Depreciation:                |                      |                     |                    |                     |
| Buildings                                | (1,402,145)          | (117,179)           | -                  | (1,519,324)         |
| Improvements/Infrastructure              | (4,815,361)          | (524,456)           | -                  | (5,339,817)         |
| Furniture & Equipment                    | (234,382)            | (30,396)            | -                  | (264,778)           |
| Machinery & Equipment                    | (554,271)            | (55,722)            | 82,913             | (527,080)           |
| Vehicles                                 | (731,497)            | (61,248)            | 35,991             | (756,754)           |
| Total Accumulated Depreciation           | (7,737,656)          | (789,001)           | 118,904            | (8,407,753)         |
| Net Depreciable Capital Assets           | 6,792,183            | (333,812)           | (23,156)           | 6,435,215           |
| <b>Total Net Governmental Activities</b> | <b>\$ 10,090,551</b> | <b>\$ (333,812)</b> | <b>\$ (23,156)</b> | <b>\$ 9,733,583</b> |

|  | Beginning<br>Balance | Additions          | Deletions   | Ending<br>Balance  |
|--|----------------------|--------------------|-------------|--------------------|
| <b>Business-Type Activities:</b>           |                      |                    |             |                    |
| 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                       | 2,877,322            | 21,960             | -           | 2,899,282          |
| Wastewater Utility System                  | 1,019,132            | -                  | -           | 1,019,132          |
| Water Storage Tanks                        | 834,643              | -                  | -           | 834,643            |
| Machinery & Equipment                      | 278,316              | -                  | -           | 278,316            |
| Vehicles                                   | 192,280              | 26,420             | -           | 218,700            |
| Total Depreciable Capital Assets           | 5,201,693            | 48,380             | -           | <b>5,250,073</b>   |
| Accumulated Depreciation:                  |                      |                    |             |                    |
| Water Utility System                       | (1,646,215)          | (62,924)           | -           | (1,709,139)        |
| Wastewater System                          | (737,677)            | (21,406)           | -           | (759,083)          |
| Water Storage Tanks                        | (216,590)            | (16,313)           | -           | (232,903)          |
| Machinery & Equipment                      | (243,809)            | (1,302)            | -           | (245,111)          |
| Vehicles                                   | (85,824)             | (36,500)           | -           | (122,324)          |
| Total Accumulated Depreciation             | (2,930,114)          | (138,443)          | -           | (3,068,559)        |
| Net Depreciable Capital Assets             | 2,271,579            | (90,063)           | -           | 2,181,516          |
| <b>Total Business-Type Activities</b>      | <b>\$2,558,747</b>   | <b>\$ (90,063)</b> | <b>\$ -</b> | <b>\$2,468,684</b> |

On December 31, 2022, the depreciable capital assets for governmental activities were 57% depreciated. As for the Town's business-type activities, 58% of the asset values were depreciated on December 31, 2022.

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

### Long-term Debt

During the year ended December 31, 2022, the Town did not enter 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 / Awarded Projects

The Town of Parachute continues to receive grant funding for projects and other purposes. During 2022, the Town of Parachute received grant funding for the following:

GCFMLD.....\$281,370

The Town received funding from Garfield County Federal Mineral Leasing District (GCFMLD) through four different grant awards for various projects: acquisition of a Police Vehicle, acquisition of a Public Works utility truck, installation of a new water utility service line to service E. Cardinal Way, and the construction of a fleet fuel station at the Town's Public Works facility.

CDOT MMOF.....\$150,000

A grant from the Colorado Department of Transportation (CDOT) MMOF fund was awarded to the Town of Parachute by the IMTPR to help design and begin preliminary engineering for the implementation of the Town's recently adopted Downtown Development Plan and various streetscape improvements in the Town's downtown corridor on 1<sup>st</sup> Street.

DOLA.....\$300,000

The Town was awarded an EIAF grant for the re-construction and repair of Diamond Loop, a 1800' section of concrete road that serves businesses in the Town's industrial park.

Garfield County.....\$250,000

Garfield County has contributed, and committed to future ongoing support, for the operation of the PATS transit system.

## SWOT Analysis

### Strengths, Weaknesses, Opportunities and Threats for the Town

#### Strengths

- Proximity to the Piceance Basin and natural resources — oil shale, natural gas, nahcolite (sodium bicarbonate) deposits
- Proximity to I-70 and two major railroads (Union Pacific & Burlington Northern)
- Proximity to the Colorado River
- Revel Springs and an abundant and resilient municipal water supply
- Parachute Creek and irrigation water supply
- 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

#### 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.
  - Parachute also has an abundance of natural resources and outdoor recreation opportunities that are a draw to tourists. Examples include fishing and boating on the river, the Battlement Mesa golf course, and many other trails in the nearby National Forest and Battlement Lakes region.

#### **Weaknesses**

- Single-based (natural gas) economy – 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 – There is currently a lack of amenities and entertainment, particularly for young professionals, in the area. For several years, the Town has focused efforts towards providing additional outdoor activities for residents and visitors.
- Small population - Population is growing slowly, and there are limited areas that are slated for residential development within the Town of Parachute. Several large subdivisions are planned for construction in Battlement Mesa.

#### **Opportunities**

- New Development - Love’s Travel Stops has completed construction of a new travel center, convenience store, McDonald’s, and Chester’s Chicken. It opened in June 2023.
- Potential Future Development – the Town has an abundance of vacant lots that are prime for commercial, manufacturing, and industrial businesses, including the area located around the West Parachute I70 interchange.
- Sodium bicarbonate mineral deposits (soda ash industry) – Natural Soda Inc. is sitting on top of the resource. 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 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.



- Recreation and Tourism potential – The Town adopted its first ever trails master plan in June 2023, with the help of funding from Garfield County. The plan will guide priority projects to enhance current outdoor recreation opportunities for the community and guests, including the Town-owned parcels in northwest portion of the Town adjacent to Bureau of Land Management (BLM) acreage.
- Medical and recreational marijuana dispensaries and grow facilities – Six (6) recreational retail shops are operating within the Town. This brings in sales tax revenue that allows the Town to continue operations and improve the Town through match dollars for grants.

### **Threats**

- Commodity Prices / Inflation – As inflation and the cost of construction continues to grow, potential development in the Town becomes less attractive. This is especially true for traditional brick-and-mortar retail locations, which is lacking in the region.
- 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.
- Drought and Natural Disasters – The Town has an abundance of water rights and a resilient supply through both the Colorado River and Revel Springs intakes. However, prolonged drought and the threat of natural disasters, such as wildfires, could threaten the Town.
- Regional Competition and Cannabis Market Uncertainty – The City of Grand Junction approved retail marijuana stores in 2022, and the first locations are expected to open in 2023. This is likely to create added competition in a crowded market, and it will likely take some of the market share from the marijuana stores located in Parachute. This, in addition to the declining value of cannabis, has led to a declining trend in the overall tax revenues generated from the market.

### **Economic Development Strategy**

In June 2022, the Town adopted an update to the Comprehensive Master Plan. Following the review of current conditions and an overall assessment of the Town, Economic Diversification and Resilience were key themes throughout the process.

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 addition of the Love's travel center, McDonald's and Chester's Chicken establishments will help meet the needs of the community and contribute to this strategy of diversification and preventing leakage.

## **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.

A high priority of the Town is the development of a high-speed Internet network. The Town is working with Garfield County and Garfield School District 16 to create a middle mile network of fiber optic cable throughout the community that can be leveraged by private Internet Service Providers (ISPs). Construction of a Carrier Neutral Location (CNL) is scheduled for 2023.

In 2022, the Town Council approved an agreement with Cheryl & Co Real Estate to co-manage and operate a community Co-Workspace. The Co-Workspace, formally known as "The Drop In," is open to the public, organizations, and individuals that are looking for short term office and event space.

Also in 2022, the Town entered into an agreement with Grand Junction Adventures to operate TOP Adventures. Now known as Parachute Adventures, the river rental business in Parachute is now run and managed by Grand Junction Adventures, who offers daily rentals and guided trips throughout Western Colorado.

## **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 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.

In 2022, the Town utilized a group of business stakeholders and community members and successfully created a Downtown Development Plan for the 1<sup>st</sup> Street corridor. This plan, and the capital projects that it will identify, may serve as a foundation for the creation of an URA in the future, which could lead to future funding opportunities to finance significant capital investments in the corridor.

### **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 [tbeecraft@parachutecolorado.com](mailto:tbeecraft@parachutecolorado.com) or at 222 Grand Valley Way Parachute, CO 81635.

**Town of Parachute  
Statement of Net Position  
December 31, 2022**

|  | <b>Governmental<br/>Activities</b> | <b>Business-<br/>Type<br/>Activities</b> | <b>Total</b>         |
|--|------------------------------------|--|----------------------|
| <b>ASSETS</b>                                      |                                    |  |                      |
| Cash and Cash Equivalents                          | \$ 5,200,426                       | \$ 1,115,637                             | \$ 6,316,063         |
| Property Taxes Receivable                          | 482,488                            | -  | 482,488              |
| Accounts Receivable                                | 481,019                            | 88,313                                   | 569,332              |
| Net pension asset                                  | 186,965                            | -  | 186,965              |
| Capital assets                                     |                                    |  |                      |
| Nondepreciable                                     | 3,298,368                          | 287,168                                  | 3,585,536            |
| Depreciable, net of accumulated depreciation       | 6,435,215                          | 2,181,516                                | 8,616,731            |
| <b>Total assets</b>                                | <b>16,084,481</b>                  | <b>3,672,634</b>                         | <b>19,757,115</b>    |
| <b>DEFERRED OUTFLOWS</b>                           |                                    |  |                      |
| Deferred outflows of resources related to pensions | 107,973                            | -  | 107,973              |
| <b>Total Deferred outflows</b>                     | <b>107,973</b>                     | <b>-</b>                                 | <b>107,973</b>       |
| <b>LIABILITIES</b>                                 |                                    |  |                      |
| Accounts Payable                                   | 114,788                            | 42,343                                   | 157,131              |
| Accrued payroll                                    | 40,823                             | 12,671                                   | 53,494               |
| Accrued compensated absences                       | 71,192                             | 24,075                                   | 95,267               |
| Unearned revenues                                  | -                                  | 4,201                                    | 4,201                |
| Noncurrent liabilities:                            |                                    |  |                      |
| Due within one year                                | -                                  | 22,224                                   | 22,224               |
| Due more than one year:                            | -                                  | 175,415                                  | 175,415              |
| <b>Total liabilities</b>                           | <b>226,803</b>                     | <b>280,929</b>                           | <b>507,732</b>       |
| <b>Deferred inflows of resources</b>               |                                    |  |                      |
| Deferred property taxes                            | 482,488                            | -  | 482,488              |
| Deferred inflows of resources related to pensions  | 129,488                            | -  | 129,488              |
| <b>Total Deferred inflows of resources</b>         | <b>611,976</b>                     | <b>-</b>                                 | <b>611,976</b>       |
| <b>NET POSITION</b>                                |                                    |  |                      |
| Invested in capital assets                         | 9,733,583                          | 2,271,045                                | 12,004,628           |
| Restricted for:                                    |                                    |  |                      |
| Tabor  | 202,600                            | -  | 202,600              |
| Unrestricted                                       | 5,417,492                          | 1,120,660                                | 6,538,152            |
| <b>Total net position</b>                          | <b>\$ 15,353,675</b>               | <b>\$ 3,391,705</b>                      | <b>\$ 18,745,380</b> |

The accompanying notes are an integral part of this statement.

**Town of Parachute  
Statement of Activities  
For the Year Ended December 31, 2022**

| Functions/Programs                    | Program Revenues    |                              |                                    |                                  | Primary Government      |                          |                      |
|---------------------------------------|---------------------|------------------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|----------------------|
|                                       | Expenses            | Charges for Service and Fees | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total                |
| <b>Primary government:</b>            |                     |                              |                                    |                                  |                         |                          |                      |
| <b>Governmental activities:</b>       |                     |                              |                                    |                                  |                         |                          |                      |
| General government                    | \$ 1,484,514        | \$ 155,610                   | \$ -                               | \$ 349,717                       | \$ (979,187)            | \$ -                     | \$ (979,187)         |
| Public Safety                         | 605,958             | 26,097                       | -                                  | -                                | (579,861)               | -                        | (579,861)            |
| Highway and Streets                   | 1,069,727           | -                            | 89,568                             | -                                | (980,159)               | -                        | (980,159)            |
| Culture and Recreation                | 495,046             | 8,348                        | 8,870                              | -                                | (477,828)               | -                        | (477,828)            |
| <b>Total governmental activities</b>  | <b>3,655,245</b>    | <b>190,055</b>               | <b>98,438</b>                      | <b>349,717</b>                   | <b>(3,017,035)</b>      | <b>-</b>                 | <b>(3,017,035)</b>   |
| <b>Business-type activities:</b>      |                     |                              |                                    |                                  |                         |                          |                      |
| Water                                 | 462,320             | 457,088                      | 101,316                            | -                                | -                       | 96,084                   | 96,084               |
| Wastewater                            | 277,923             | 344,991                      | -                                  | -                                | -                       | 67,068                   | 67,068               |
| Garbage                               | 67,029              | 73,388                       | -                                  | -                                | -                       | 6,359                    | 6,359                |
| Parks and Recreation                  | 3,536               | -                            | -                                  | -                                | -                       | (3,536)                  | (3,536)              |
| Area Transit System                   | 341,341             | 18,592                       | -                                  | 250,000                          | -                       | (72,749)                 | (72,749)             |
| <b>Total business-type activities</b> | <b>1,152,149</b>    | <b>894,059</b>               | <b>101,316</b>                     | <b>250,000</b>                   | <b>-</b>                | <b>93,226</b>            | <b>93,226</b>        |
| <b>Total primary government</b>       | <b>\$ 4,807,394</b> | <b>\$ 1,084,114</b>          | <b>\$ 199,754</b>                  | <b>\$ 599,717</b>                | <b>(3,017,035)</b>      | <b>93,226</b>            | <b>(2,923,809)</b>   |
| <b>General Revenues</b>               |                     |                              |                                    |                                  |                         |                          |                      |
| Taxes:                                |                     |                              |                                    |                                  |                         |                          |                      |
|                                       |                     |                              |                                    |                                  | 2,656,359               | -                        | 2,656,359            |
|                                       |                     |                              |                                    |                                  | 393,697                 | -                        | 393,697              |
|                                       |                     |                              |                                    |                                  | 2,363                   | -                        | 2,363                |
|                                       |                     |                              |                                    |                                  | 134,880                 | -                        | 134,880              |
|                                       |                     |                              |                                    |                                  | 265,770                 | -                        | 265,770              |
|                                       |                     |                              |                                    |                                  | 86,324                  | -                        | 86,324               |
|                                       |                     |                              |                                    |                                  | 40,004                  | 61                       | 40,065               |
|                                       |                     |                              |                                    |                                  | 21,561                  | -                        | 21,561               |
|                                       |                     |                              |                                    |                                  | 55,700                  | -                        | 55,700               |
|                                       |                     |                              |                                    |                                  | (100,000)               | 100,000                  | -                    |
|                                       |                     |                              |                                    |                                  | <b>3,556,658</b>        | <b>100,061</b>           | <b>3,656,719</b>     |
| <b>Changes in Net Position</b>        |                     |                              |                                    |                                  |                         |                          |                      |
|                                       |                     |                              |                                    |                                  | 539,623                 | 193,287                  | 732,910              |
|                                       |                     |                              |                                    |                                  | 14,814,052              | 3,198,418                | 18,012,470           |
|                                       |                     |                              |                                    |                                  | <b>\$ 15,353,675</b>    | <b>\$ 3,391,705</b>      | <b>\$ 18,745,380</b> |

The accompanying notes are an integral part of this statement.

**Town of Parachute  
Governmental Funds  
Balance Sheet  
December 31, 2022**

|   | <u>General<br/>Fund</u> | <u>Reserve<br/>Fund</u> | <u>Grant<br/>Fund</u> | <u>Capital<br/>Improvement<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------|-----------------------|---|---|---|
| <b>Assets</b>   |                         |                         |                       |   |   |   |
| Cash and Cash Equivalents   | \$ 1,523,134            | \$ 2,077,260            | \$ 422,117            | \$ 1,075,033                            | \$ 102,882                              | \$ 5,200,426                            |
| Property Taxes Receivable   | 482,488                 | -                       | -                     | -                                       | -                                       | 482,488                                 |
| Accounts Receivable   | 469,100                 | -                       | 5,000                 | -                                       | 6,919                                   | 481,019                                 |
| <b>Total assets</b>   | <u>\$ 2,474,722</u>     | <u>\$ 2,077,260</u>     | <u>\$ 427,117</u>     | <u>\$ 1,075,033</u>                     | <u>\$ 109,801</u>                       | <u>\$ 6,163,933</u>                     |
| <b>Liabilities</b>  |                         |                         |                       |   |   |   |
| Accounts Payable  | \$ 84,902               | \$ -                    | \$ 22,258             | \$ 6,369                                | \$ 1,259                                | \$ 114,788                              |
| Accrued Payroll   | 36,159                  | -                       | -                     | -                                       | 4,664                                   | 40,823                                  |
| <b>Total Liabilities</b>  | <u>121,061</u>          | <u>-</u>                | <u>22,258</u>         | <u>6,369</u>                            | <u>5,923</u>                            | <u>155,611</u>                          |
| <b>Deferred inflows of resources</b>  |                         |                         |                       |   |   |   |
| Deferred property taxes   | 482,488                 | -                       | -                     | -                                       | -                                       | 482,488                                 |
| <b>Total Deferred inflows of resources</b>                                  | <u>482,488</u>          | <u>-</u>                | <u>-</u>              | <u>-</u>                                | <u>-</u>                                | <u>482,488</u>                          |
| <b>Fund Balance</b>   |                         |                         |                       |   |   |   |
| <b>Restricted</b>   |                         |                         |                       |   |   |   |
| Parks and Open Space  | -                       | -                       | -                     | -                                       | 29,993                                  | 29,993                                  |
| Emergency Reserves  | 202,600                 | -                       | -                     | -                                       | -                                       | 202,600                                 |
| <b>Assigned</b>   |                         |                         |                       |   |   |   |
| Future Operations   | -                       | 2,077,260               | 404,859               | -                                       | -                                       | 2,482,119                               |
| Streets and Alleys  | -                       | -                       | -                     | -                                       | 73,885                                  | 73,885                                  |
| Capital Projects  | -                       | -                       | -                     | 1,068,664                               | -                                       | 1,068,664                               |
| <b>Unassigned</b>   | <u>1,668,573</u>        | <u>-</u>                | <u>-</u>              | <u>-</u>                                | <u>-</u>                                | <u>1,668,573</u>                        |
| <b>Total Fund Equity</b>  | <u>1,871,173</u>        | <u>2,077,260</u>        | <u>404,859</u>        | <u>1,068,664</u>                        | <u>103,878</u>                          | <u>5,525,834</u>                        |
| <b>Total Liabilities, deferred inflows<br/>of resources and fund equity</b> | <u>\$ 2,474,722</u>     | <u>\$ 2,077,260</u>     | <u>\$ 427,117</u>     | <u>\$ 1,075,033</u>                     | <u>\$ 109,801</u>                       | <u>\$ 6,163,933</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, 2022**

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**Total fund balance, governmental funds** \$ 5,525,834

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        | \$ 18,141,336      |           |
| Less accumulated depreciation | <u>(8,407,753)</u> | 9,733,583 |

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 | (71,192) |
|----------------------|----------|

|   |         |
|---|---------|
| Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds. | 165,450 |
|---|---------|

|   |                             |
|---|-----------------------------|
| <b>Net Position of Governmental Activities in the Statement of Net Position</b> | <u><u>\$ 15,353,675</u></u> |
|---|-----------------------------|

**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, 2022**

|   | <b>General<br/>Fund</b> | <b>Reserve<br/>Fund</b> | <b>Grant<br/>Fund</b> | <b>Capital<br/>Improvement<br/>Fund</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|-------------------------|-------------------------|-----------------------|---|--|---|
| <b>REVENUES</b>   |                         |                         |                       |   |  |   |
| Taxes   | \$ 3,187,292            | \$ -                    | \$ -                  | \$ -                                    | \$ 38,244                                  | \$ 3,225,536                            |
| Licenses/Permits  | 79,792                  | -                       | -                     | -                                       | 60,194                                     | 139,986                                 |
| Intergovernmental                                       | 265,770                 | -                       | 209,464               | 140,253                                 | -  | 615,487                                 |
| Fines and Forfeitures                                   | 90,091                  | -                       | -                     | -                                       | -  | 90,091                                  |
| Miscellaneous   | 205,109                 | -                       | -                     | -                                       | 1,815                                      | 206,924                                 |
| Interest  | 39,995                  | -                       | -                     | -                                       | -  | 39,995                                  |
| <b>Total revenues</b>                                   | <u>3,868,049</u>        | <u>-</u>                | <u>209,464</u>        | <u>140,253</u>                          | <u>100,253</u>                             | <u>4,318,019</u>                        |
| <b>EXPENDITURES</b>                                     |                         |                         |                       |   |  |   |
| Current:  |                         |                         |                       |   |  |   |
| Judicial  | 53,363                  | -                       | -                     | -                                       | -  | 53,363                                  |
| Executive and Legislative                               | 634,797                 | -                       | -                     | -                                       | -  | 634,797                                 |
| Fiscal  | 65,673                  | -                       | -                     | -                                       | -  | 65,673                                  |
| Legal   | 30,353                  | -                       | -                     | -                                       | -  | 30,353                                  |
| Building  | 162,869                 | -                       | -                     | -                                       | -  | 162,869                                 |
| Community Development                                   | 341,140                 | -                       | -                     | -                                       | -  | 341,140                                 |
| Law Enforcement   | 618,174                 | -                       | -                     | -                                       | -  | 618,174                                 |
| Records Coordination                                    | 78,653                  | -                       | -                     | -                                       | -  | 78,653                                  |
| Street and Alley  | 54,707                  | -                       | -                     | -                                       | 262,011                                    | 316,718                                 |
| Parks   | 225,505                 | -                       | -                     | -                                       | 44,928                                     | 270,433                                 |
| Contributions   | 22,963                  | -                       | -                     | -                                       | -  | 22,963                                  |
| Capital Outlay  | -                       | -                       | 385,299               | 395,165                                 | -  | 780,464                                 |
| <b>Total expenditures</b>                               | <u>2,288,197</u>        | <u>-</u>                | <u>385,299</u>        | <u>395,165</u>                          | <u>306,939</u>                             | <u>3,375,600</u>                        |
| <b>Excess of Revenues over<br/>(under) Expenditures</b> | 1,579,852               | -                       | (175,835)             | (254,912)                               | (206,686)                                  | 942,419                                 |
| <b>Other Financing Sources (Uses)</b>                   |                         |                         |                       |   |  |   |
| Transfers In  | -                       | -                       | 527,890               | 528,800                                 | 200,000                                    | 1,256,690                               |
| Transfers (Out)   | (1,356,690)             | -                       | -                     | -                                       | -  | (1,356,690)                             |
| <b>Change in available resources</b>                    | 223,162                 | -                       | 352,055               | 273,888                                 | (6,686)                                    | 842,419                                 |
| <b>Fund Balances- January 1</b>                         | 1,648,011               | 2,077,260               | 52,804                | 794,776                                 | 110,564                                    | 4,683,415                               |
| <b>Fund Balances- December 31</b>                       | <u>\$ 1,871,173</u>     | <u>\$ 2,077,260</u>     | <u>\$ 404,859</u>     | <u>\$ 1,068,664</u>                     | <u>\$ 103,878</u>                          | <u>\$ 5,525,834</u>                     |

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, 2022**

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**Net change in fund balances - total governmental funds** \$ 842,419

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             | \$ 455,189 |           |
| Depreciation expense                       | (789,002)  |           |
| Excess of capital outlay over depreciation |            | (333,813) |

|   |  |          |
|---|--|----------|
| The net effect of various transactions involving capital assets (i.e. sales, trades and disposals) is to decrease net position. |  | (23,151) |
|---|--|----------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|                                      |  |        |
|--------------------------------------|--|--------|
| Compensated absences                 |  | 9,081  |
| Pension expenses not in current year |  | 45,087 |

|   |  |                   |
|---|--|-------------------|
| <b>Change in net position of governmental funds</b> |  | <b>\$ 539,623</b> |
|---|--|-------------------|

**The accompanying notes are an integral part of this statement.**

**Town of Parachute  
Statement of Net Position  
Enterprise Funds  
December 31, 2022**

|   | <u>Water</u>        | <u>Wastewater</u> | <u>Garbage</u>   | <u>Parks<br/>and<br/>Recreation</u> | <u>Area<br/>Transit<br/>System</u> | <u>Total<br/>Enterprise<br/>Funds</u> |
|---|---------------------|-------------------|------------------|-------------------------------------|------------------------------------|---------------------------------------|
| <b>ASSETS</b>                                   |                     |                   |                  |                                     |                                    |                                       |
| <b>Current Assets:</b>                          |                     |                   |                  |                                     |                                    |                                       |
| Cash  | \$ 517,885          | \$ 307,515        | \$ 64,999        | \$ 5,858                            | \$ 219,380                         | \$ 1,115,637                          |
| Accounts receivable, net                        | 47,270              | 31,351            | 9,692            | -                                   | -                                  | 88,313                                |
| <b>Total current assets</b>                     | <u>565,155</u>      | <u>338,866</u>    | <u>74,691</u>    | <u>5,858</u>                        | <u>219,380</u>                     | <u>1,203,950</u>                      |
| <b>Capital assets:</b>                          |                     |                   |                  |                                     |                                    |                                       |
| Water Shares                                    | 282,101             | -                 | -                | -                                   | -                                  | 282,101                               |
| Land  | 4,095               | 972               | -                | -                                   | -                                  | 5,067                                 |
| Property, plant and Equipment                   | 3,938,667           | 1,178,130         | -                | -                                   | 133,276                            | 5,250,073                             |
| Less accumulated depreciation                   | (2,113,578)         | (892,226)         | -                | -                                   | (62,753)                           | (3,068,557)                           |
| <b>Total capital assets</b>                     | <u>2,111,285</u>    | <u>286,876</u>    | <u>-</u>         | <u>-</u>                            | <u>70,523</u>                      | <u>2,468,684</u>                      |
| <b>Total Assets</b>                             | <u>\$ 2,676,440</u> | <u>\$ 625,742</u> | <u>\$ 74,691</u> | <u>\$ 5,858</u>                     | <u>\$ 289,903</u>                  | <u>\$ 3,672,634</u>                   |
| <b>LIABILITIES</b>                              |                     |                   |                  |                                     |                                    |                                       |
| <b>Current liabilities:</b>                     |                     |                   |                  |                                     |                                    |                                       |
| Accounts payable                                | \$ 14,721           | \$ 12,913         | \$ 5,712         | \$ -                                | \$ 8,997                           | \$ 42,343                             |
| Accrued payroll                                 | 5,084               | 1,696             | -                | 76                                  | 5,815                              | 12,671                                |
| Accrued compensated absences                    | 10,790              | 3,616             | -                | 680                                 | 8,989                              | 24,075                                |
| Unearned revenues                               | 4,201               | -                 | -                | -                                   | -                                  | 4,201                                 |
| Notes Payable                                   | 22,224              | -                 | -                | -                                   | -                                  | 22,224                                |
| <b>Total current liabilities</b>                | <u>57,020</u>       | <u>18,225</u>     | <u>5,712</u>     | <u>756</u>                          | <u>23,801</u>                      | <u>105,514</u>                        |
| <b>Noncurrent Liabilities</b>                   |                     |                   |                  |                                     |                                    |                                       |
| Notes Payable                                   | 175,415             | -                 | -                | -                                   | -                                  | 175,415                               |
| <b>Total noncurrent liabilities</b>             | <u>175,415</u>      | <u>-</u>          | <u>-</u>         | <u>-</u>                            | <u>-</u>                           | <u>175,415</u>                        |
| <b>Net Position</b>                             |                     |                   |                  |                                     |                                    |                                       |
| Invested in capital assets, net of related debt | 1,913,646           | 286,876           | -                | -                                   | 70,523                             | 2,271,045                             |
| Unrestricted                                    | 530,359             | 320,641           | 68,979           | 5,103                               | 195,578                            | 1,120,660                             |
| <b>Total Net Position</b>                       | <u>\$ 2,444,005</u> | <u>\$ 607,517</u> | <u>\$ 68,979</u> | <u>\$ 5,103</u>                     | <u>\$ 266,101</u>                  | <u>\$ 3,391,705</u>                   |

The accompanying notes are an integral part of this statement.

**Town of Parachute**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Enterprise Funds**  
**Year Ended December 31, 2022**

|   | <u>Water</u>        | <u>Wastewater</u> | <u>Garbage</u>   | <u>Parks<br/>and<br/>Recreation</u> | <u>Area<br/>Transit<br/>System</u> | <u>Total</u>        |
|---|---------------------|-------------------|------------------|-------------------------------------|------------------------------------|---------------------|
| <b>Operating Revenues</b>   |                     |                   |                  |                                     |                                    |                     |
| Charges for services  | \$ 456,663          | \$ 303,217        | \$ 73,388        | \$ -                                | \$ 13,235                          | \$ 846,503          |
| Other   | 425                 | 41,774            | -                | -                                   | 5,357                              | 47,556              |
| <b>Total operating revenues</b>   | <u>457,088</u>      | <u>344,991</u>    | <u>73,388</u>    | <u>-</u>                            | <u>18,592</u>                      | <u>894,059</u>      |
| <b>Operating Expenses</b>   |                     |                   |                  |                                     |                                    |                     |
| Operations  | 165,122             | 181,194           | 67,029           | 813                                 | 61,195                             | 475,353             |
| Personnel   | 207,471             | 62,396            | -                | 2,723                               | 256,573                            | 529,163             |
| Depreciation  | 80,539              | 34,333            | -                | -                                   | 23,573                             | 138,445             |
| <b>Total operating expenses</b>   | <u>453,132</u>      | <u>277,923</u>    | <u>67,029</u>    | <u>3,536</u>                        | <u>341,341</u>                     | <u>1,142,961</u>    |
| <b>Operating income (loss)</b>  | <u>3,956</u>        | <u>67,068</u>     | <u>6,359</u>     | <u>(3,536)</u>                      | <u>(322,749)</u>                   | <u>(248,902)</u>    |
| <b>Nonoperating revenues (expenses)</b>                                 |                     |                   |                  |                                     |                                    |                     |
| Interest income   | 61                  | -                 | -                | -                                   | -                                  | 61                  |
| Interest expense  | (9,188)             | -                 | -                | -                                   | -                                  | (9,188)             |
| <b>Total nonoperating revenues (expenses)</b>                           | <u>(9,127)</u>      | <u>-</u>          | <u>-</u>         | <u>-</u>                            | <u>-</u>                           | <u>(9,127)</u>      |
| <b>Income (loss) before transfers and<br/>and Capital Contributions</b> | <u>(5,171)</u>      | <u>67,068</u>     | <u>6,359</u>     | <u>(3,536)</u>                      | <u>(322,749)</u>                   | <u>(258,029)</u>    |
| <b>Contributions and Transfers</b>                                      |                     |                   |                  |                                     |                                    |                     |
| Transfers   | -                   | -                 | -                | -                                   | 100,000                            | 100,000             |
| Tap Fees  | 101,316             | -                 | -                | -                                   | 250,000                            | 351,316             |
| <b>Total Contributions and Transfers</b>                                | <u>101,316</u>      | <u>-</u>          | <u>-</u>         | <u>-</u>                            | <u>350,000</u>                     | <u>451,316</u>      |
| <b>Change in net position</b>   | 96,145              | 67,068            | 6,359            | (3,536)                             | 27,251                             | 193,287             |
| <b>Total net position, January 1</b>                                    | <u>2,347,860</u>    | <u>540,449</u>    | <u>62,620</u>    | <u>8,639</u>                        | <u>238,850</u>                     | <u>3,198,418</u>    |
| <b>Total net position, December 31</b>                                  | <u>\$ 2,444,005</u> | <u>\$ 607,517</u> | <u>\$ 68,979</u> | <u>\$ 5,103</u>                     | <u>\$ 266,101</u>                  | <u>\$ 3,391,705</u> |

The accompanying notes are an integral part of this statement.

**Town of Parachute  
Statement of Cash Flows  
Enterprise Funds  
Year Ended December 31, 2022**

|   | <u>Water</u>      | <u>Wastewater</u> | <u>Garbage</u>   | <u>Parks<br/>and<br/>Recreation</u> | <u>Area<br/>Transit<br/>System</u> | <u>Total<br/>Enterprise<br/>Funds</u> |
|---|-------------------|-------------------|------------------|-------------------------------------|------------------------------------|---------------------------------------|
| <b>Cash Flows From Operating Activities</b>   |                   |                   |                  |                                     |                                    |                                       |
| Cash received from customer and others  | \$ 455,679        | \$ 346,480        | \$ 72,188        | \$ -                                | \$ 18,592                          | \$ 892,939                            |
| Cash payments for personnel   | (162,828)         | (179,586)         | (67,029)         | (813)                               | (55,170)                           | (465,426)                             |
| Cash payments for goods and services  | (195,980)         | (62,212)          | 441              | (2,867)                             | (251,536)                          | (512,154)                             |
| <b>Net cash provided (used) by operating activities</b>   | <u>96,871</u>     | <u>104,682</u>    | <u>5,600</u>     | <u>(3,680)</u>                      | <u>(288,114)</u>                   | <u>(84,641)</u>                       |
| <b>Cash Flows from Noncapital Financing Activities</b>  |                   |                   |                  |                                     |                                    |                                       |
| Transfers   | -                 | -                 | -                | -                                   | 100,000                            | 100,000                               |
| Tap fees  | 101,316           | -                 | -                | -                                   | -                                  | 101,316                               |
| <b>Net cash provided (used) by noncapital financing activities</b>  | <u>101,316</u>    | <u>-</u>          | <u>-</u>         | <u>-</u>                            | <u>100,000</u>                     | <u>201,316</u>                        |
| <b>Cash Flows from Capital and Related Financing Activities</b>   |                   |                   |                  |                                     |                                    |                                       |
| Receipt of capital grants   | -                 | -                 | -                | -                                   | 250,000                            | 250,000                               |
| Acquisition and construction of capital assets  | (21,960)          | -                 | -                | -                                   | (26,420)                           | (48,380)                              |
| Long term debt payment- principal   | (22,043)          | -                 | -                | -                                   | -                                  | (22,043)                              |
| Long term debt payment- interest  | (9,188)           | -                 | -                | -                                   | -                                  | (9,188)                               |
| <b>Net cash provided (used) by capital<br/>and related financing activities</b>                           | <u>(53,191)</u>   | <u>-</u>          | <u>-</u>         | <u>-</u>                            | <u>223,580</u>                     | <u>170,389</u>                        |
| <b>Cash Flows from Investing Activities</b>   |                   |                   |                  |                                     |                                    |                                       |
| Interest on investments   | 61                | -                 | -                | -                                   | -                                  | 61                                    |
| <b>Net Cash provided by Investing Activities</b>  | <u>61</u>         | <u>-</u>          | <u>-</u>         | <u>-</u>                            | <u>-</u>                           | <u>61</u>                             |
| <b>Net increase (decrease) in cash and equivalents</b>  | 145,057           | 104,682           | 5,600            | (3,680)                             | 35,466                             | 287,125                               |
| <b>Cash balances, January 1</b>   | 372,828           | 202,833           | 59,399           | 9,538                               | 183,914                            | 828,512                               |
| <b>Cash balances, December 31</b>   | <u>\$ 517,885</u> | <u>\$ 307,515</u> | <u>\$ 64,999</u> | <u>\$ 5,858</u>                     | <u>\$ 219,380</u>                  | <u>\$ 1,115,637</u>                   |
| <b>Reconciliation of operating income (loss) to net cash<br/>provided (used) by operating activities:</b> |                   |                   |                  |                                     |                                    |                                       |
| Operating income (loss)   | \$ 3,956          | \$ 67,068         | \$ 6,359         | \$ (3,536)                          | \$ (322,749)                       | \$ (248,902)                          |
| Adjustments to reconcile operating income (loss) to net<br>cash provided (used) by operating activities:  |                   |                   |                  |                                     |                                    |                                       |
| Depreciation expense  | 80,539            | 34,333            | -                | -                                   | 23,573                             | 138,445                               |
| Assets (increase) decrease:   |                   |                   |                  |                                     |                                    |                                       |
| Accounts receivables  | (3,136)           | 1,489             | (1,200)          | -                                   | -                                  | (2,847)                               |
| Liabilities increase (decrease):  |                   |                   |                  |                                     |                                    |                                       |
| Accounts payable  | 11,491            | 184               | 441              | (144)                               | 5,037                              | 17,009                                |
| Accrued payroll   | 917               | 689               | -                | -                                   | 1,352                              | 2,958                                 |
| Accrued compensated absences  | 1,377             | 919               | -                | -                                   | 4,673                              | 6,969                                 |
| Unearned revenues   | 1,727             | -                 | -                | -                                   | -                                  | 1,727                                 |
| Total adjustments   | <u>92,915</u>     | <u>37,614</u>     | <u>(759)</u>     | <u>(144)</u>                        | <u>34,635</u>                      | <u>164,261</u>                        |
| <b>Net cash provided (used) by operating activities</b>   | <u>\$ 96,871</u>  | <u>\$ 104,682</u> | <u>\$ 5,600</u>  | <u>\$ (3,680)</u>                   | <u>\$ (288,114)</u>                | <u>\$ (84,641)</u>                    |

The accompanying notes are an integral part of this statement.

**Town of Parachute**  
**Notes to the Financial Statements**  
**December 31, 2022**

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**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 town council's 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, 2022**

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**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 council 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, 2022**

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**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, 2022, 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, 2022**

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**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, 2022**

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**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, 2022**

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**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**  
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**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**  
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**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 2022 was \$77,800.

**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**  
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**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 revisions made to the original budgeted expenditures for the General, Streets and Alley, Grant, Capital, Water, Wastewater, Parks and Recreation, and Parachute Area Transit System Funds for the year ending December 31, 2022.
- 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, 2022, the bank balance of the Town's deposits was \$ 4,114,084 of which \$ 250,000 was covered by federal depository insurance and \$ 3,864,084 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, 2022, the Town's investments included funds held in government Colotrust.

The Town had invested \$2,321,554 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**  
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**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 AAA 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, 2022 is as follows:

|                            |                     |
|----------------------------|---------------------|
| Cash on hand               | \$ 400              |
| Cash in bank               | 3,994,109           |
| Colotrust                  | <u>2,321,554</u>    |
| Total cash and investments | <u>\$ 6,316,063</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 2022:

| Funds                    | Transfers           |                     |
|--------------------------|---------------------|---------------------|
|                          | In                  | Out                 |
| General Fund             | \$                  | \$ 1,356,690        |
| Capital Improvement Fund | 528,800             |                     |
| Grant Fund               | 527,890             |                     |
| Area Transit System Fund | 100,000             |                     |
| Street and alleys Fund   | 200,000             |                     |
| Totals                   | <u>\$ 1,356,690</u> | <u>\$ 1,356,690</u> |

**Town of Parachute**  
**Notes to the Financial Statements**  
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**Note 7 - Long-Term Liabilities**

**Schedule of Long-Term Debt**

|                          | Balance<br>January 1,<br>2022 | Additions       | Reductions         | Balance<br>December 31,<br>2022 | Due within<br>one year |
|--------------------------|-------------------------------|-----------------|--------------------|---------------------------------|------------------------|
| Governmental Activities  |                               |                 |                    |                                 |                        |
| Compensated absences     | \$ 80,273                     | \$ -            | \$ (9,081)         | \$ 71,192                       | \$ 71,192              |
| Total                    | <u>\$ 80,273</u>              | <u>\$ -</u>     | <u>\$ (9,081)</u>  | <u>\$ 71,192</u>                | <u>\$ 71,192</u>       |
| Enterprise Activities    |                               |                 |                    |                                 |                        |
| Note payable-Alpine Bank | \$ 219,682                    | \$ -            | \$ (22,043)        | \$ 197,639                      | \$ 22,224              |
| Compensated absences     | 17,106                        | 6,969           | -                  | 24,075                          | 24,075                 |
| Total                    | <u>\$ 236,788</u>             | <u>\$ 6,969</u> | <u>\$ (22,043)</u> | <u>\$ 221,714</u>               | <u>\$ 46,299</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 3.60%.

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           |
|-------|------------------|-----------------|------------------|
| 2023  | \$ 16,123        | \$ 1,803        | \$ 17,926        |
| 2024  | 16,713           | 1,213           | 17,926           |
| 2025  | 17,224           | 702             | 17,926           |
| Total | <u>\$ 50,060</u> | <u>\$ 3,718</u> | <u>\$ 53,778</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**  
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**Note 7 - Long-Term Liabilities (continued)**

|              | Principal  | Interest  | Totals     |
|--------------|------------|-----------|------------|
| 2023         | \$ 6,930   | \$ 6,138  | \$ 13,068  |
| 2024         | 7,230      | 5,838     | 13,068     |
| 2025         | 7,544      | 5,524     | 13,068     |
| 2026         | 7,870      | 5,198     | 13,068     |
| 2027         | 8,212      | 4,856     | 13,068     |
| 2028 to 2032 | 46,714     | 18,626    | 65,340     |
| 2033 to 2037 | 57,753     | 7,587     | 65,340     |
| 2038 to 2042 | 5,326      | 56        | 5,382      |
| Total        | \$ 147,579 | \$ 53,823 | \$ 201,402 |

**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 immediately upon 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**  
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**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, 2022, the Town's total payroll was \$1,344,048, the total covered payroll by the retirement plan was \$947,683. During 2022, the Town and employees each made their respectively required contribution of 48,260 and \$39,590, for a total of \$87,850. 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, 2022**

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**Note 9 - Retirement Plans** (continued)

Defined Benefit Plan- SWDB (continued)

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 will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. 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 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 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10 percent in 2021. 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 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, 2022, the Entity reported a net pension asset of \$ 186,965. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. 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, 2021, the Town's proportion was 0.03449%, which was an increase of 0.03548% from its proportion of 0.03215% measured as of December 31, 2020.

**Town of Parachute**  
**Notes to the Financial Statements**  
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**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, 2022, the Town recognized pension expense of (\$45,087) related to the SWDB.

At December 31, 2022, 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                                   | \$ 53,538                | \$ 4,361                |
| Changes in Assumptions  | 26,663                   | -                       |
| Net difference between projected and actual earnings<br>on pension plan investments | -                        | 125,127                 |
| Change in assumptions   | -                        | -                       |
| Contributions subsequent to the measurement date                                    | <u>27,772</u>            | <u>-</u>                |
| Total   | <u>\$ 107,973</u>        | <u>\$ 129,488</u>       |

The SWDB plan reported \$27,772 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, 2022.

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: |            |
|-------------------------|------------|
| 2022                    | \$(16,881) |
| 2023                    | \$(29,824) |
| 2024                    | \$(16,735) |
| 2025                    | \$ (4,700) |
| 2026                    | \$ 11,146  |
| Thereafter              | \$ 7,706   |

The December 31, 2021 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2021. 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**  
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**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, 2021 are summarized in the following table:

| Asset Class          | Target Allocation | Long-Term Expected Rate of Return |
|----------------------|-------------------|-----------------------------------|
| Global Equity        | 39%               | 8.23%                             |
| Equity Long/Short    | 8%                | 6.87%                             |
| Private Markets      | 26%               | 10.63%                            |
| Fixed Income- Rates  | 10%               | 4.01%                             |
| Fixed Income- Credit | 5%                | 5.25%                             |
| Absolute Return      | 10%               | 5.60%                             |
| Cash                 | 2%                | 2.32%                             |
| <b>Total</b>         | <b>100.00%</b>    |                                   |

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**  
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**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 2.00% (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<br>Assumption | 1% Increase |
|-------------|------------------------------------|-------------|
| 6.00%       | 7.00%                              | 8.00%       |
| \$(25,784)  | \$(186,965)                        | \$(320,495) |

**Note 10 - Capital Assets**

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

|                        |                   |
|------------------------|-------------------|
| General government     | \$ 99,601         |
| Public safety          | 37,769            |
| Highway and streets    | 484,899           |
| Culture and recreation | <u>166,733</u>    |
| Total                  | <u>\$ 789,002</u> |

Depreciation charged to the Enterprise Funds are as follows:

|                          |                   |
|--------------------------|-------------------|
| Water Fund               | \$ 80,539         |
| Wastewater Fund          | 34,333            |
| Area Transit System Fund | <u>23,573</u>     |
| Total                    | <u>\$ 138,445</u> |

**Town of Parachute**  
**Notes to the Financial Statements**  
**December 31, 2022**

**Note 10 - Capital Assets**

|  | Balance<br>January 1,<br>2022 | Additions           | Dispositions       | Balance December<br>31, 2022 |
|--|-------------------------------|---------------------|--------------------|------------------------------|
| <b>Governmental Activities</b>                           |                               |                     |                    |                              |
| Capital assets not being depreciated                     |                               |                     |                    |                              |
| Land   | \$ 3,298,368                  | \$ -                | \$ -               | \$ 3,298,368                 |
|  | <u>3,298,368</u>              | <u>-</u>            | <u>-</u>           | <u>3,298,368</u>             |
| Capital assets being depreciated                         |                               |                     |                    |                              |
| Buildings  | 4,302,273                     | 221,520             | -                  | 4,523,793                    |
| Improvements/infrastructure                              | 8,214,451                     | -                   | -                  | 8,214,451                    |
| Furniture and equipment                                  | 315,121                       | -                   | -                  | 315,121                      |
| Machinery and equipment                                  | 769,845                       | 128,033             | (106,069)          | 791,809                      |
| Vehicles   | 928,149                       | 105,636             | (35,991)           | 997,794                      |
|  | <u>14,529,839</u>             | <u>455,189</u>      | <u>(142,060)</u>   | <u>14,842,968</u>            |
| Less accumulated depreciation                            |                               |                     |                    |                              |
| Buildings  | (1,402,145)                   | (117,179)           | -                  | (1,519,324)                  |
| Improvements/infrastructure                              | (4,815,361)                   | (524,456)           | -                  | (5,339,817)                  |
| Furniture and equipment                                  | (234,382)                     | (30,396)            | -                  | (264,778)                    |
| Machinery and equipment                                  | (554,271)                     | (55,722)            | 82,913             | (527,080)                    |
| Vehicles   | (731,497)                     | (61,248)            | 35,991             | (756,754)                    |
|  | <u>(7,737,656)</u>            | <u>(789,001)</u>    | <u>118,904</u>     | <u>(8,407,753)</u>           |
| Capital asset being depreciated, net                     | <u>6,792,183</u>              | <u>(333,812)</u>    | <u>(23,156)</u>    | <u>6,435,215</u>             |
| <b>Total Capital Assets</b>                              | <u>\$ 10,090,551</u>          | <u>\$ (333,812)</u> | <u>\$ (23,156)</u> | <u>\$ 9,733,583</u>          |
|  |                               |                     |                    |                              |
|  | Balance January               |                     |                    | Balance                      |
| <b>Business - Type Activities</b>                        | 1, 2022                       | Additions           | Dispositions       | December 31,<br>2022         |
| Capital assets not being depreciated                     |                               |                     |                    |                              |
| Land and water rights                                    | \$ 287,168                    | \$ -                | \$ -               | \$ 287,168                   |
| Capital assets being depreciated                         |                               |                     |                    |                              |
| Water utility system                                     | 2,877,322                     | 21,960              | -                  | 2,899,282                    |
| Wastewater utility system                                | 1,019,132                     | -                   | -                  | 1,019,132                    |
| Water and storage tanks                                  | 834,643                       | -                   | -                  | 834,643                      |
| Machinery and equipment                                  | 278,316                       | -                   | -                  | 278,316                      |
| Vehicles   | 192,280                       | 26,420              | -                  | 218,700                      |
| Less accumulated depreciation                            | (2,930,114)                   | (138,443)           | -                  | (3,068,557)                  |
| Capital assets being depreciated, net                    | <u>2,271,579</u>              | <u>(90,063)</u>     | <u>-</u>           | <u>2,181,516</u>             |
| <b>Total Business-Type<br/>Activities Capital Assets</b> | <u>\$ 2,558,747</u>           | <u>\$ (90,063)</u>  | <u>\$ -</u>        | <u>\$ 2,468,684</u>          |

**Town of Parachute**  
**Schedule of Town's Proportionate Share of Net Pension Asset/Liability**  
**Fire and Police Association of Colorado**  
**Statewide Defined Benefit Plan**  
**Year Ended December 31, 2022 (Measurement Date)**

|  | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Town's portion of the net pension assets (liability)   | 0.35484%    | 0.03215%    | 0.04390%    | 0.03796%    | 0.04463%    |
| Town's proportionate share of the net pension asset (liability)                                    | \$ 22,801   | \$ 18,185   | \$ (55,502) | \$ 54,604   | \$ (15,402) |
| Town's covered payroll   | \$ 236,988  | \$ 256,288  | \$ 294,287  | \$ 222,016  | \$ 218,150  |
| Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll | 9.62%       | 7.10%       | -18.86%     | 24.59%      | -7.06%      |
| Plan fiduciary net position as a percentage of the total pension assets/(liability)                | 106.70%     | 101.90%     | 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, 2022**

|  | <u>2022</u> | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      |
|--|-------------|------------------|------------------|------------------|------------------|
| Contractually required contributions                                 | \$ -        | \$ 22,801        | \$ 18,959        | \$ 20,503        | \$ 23,543        |
| Contributions in relation to the contractually required contribution | <u>\$ -</u> | <u>\$ 22,801</u> | <u>\$ 18,959</u> | <u>\$ 20,503</u> | <u>\$ 23,543</u> |
| Contribution (excess) deficiency                                     | <u>\$ -</u> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Town's covered payroll   | \$ -        | \$ 285,013       | \$ 236,988       | \$ 256,288       | \$ 294,287       |
| Contributions as a percentage of covered payroll                     | #DIV/0!     | 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, 2022**

| <b>Revenues</b>   | <b>Budgeted Amounts</b> |                   | <b>Actual</b>       | <b>Variance with</b> |
|---|-------------------------|-------------------|---------------------|----------------------|
|   | <b>Original</b>         | <b>Final</b>      |                     | <b>Final Budget</b>  |
|   |                         |                   |                     | <b>Favorable</b>     |
|   |                         |                   |                     | <b>(Unfavorable)</b> |
| Property Tax  | \$ 393,980              | \$ 393,980        | \$ 393,697          | \$ (283)             |
| Sales Tax   | 2,145,000               | 2,145,000         | 2,425,879           | 280,879              |
| Use Tax   | 100,000                 | 100,000           | 230,480             | 130,480              |
| Lodging Tax   | 75,000                  | 75,000            | 130,730             | 55,730               |
| Other Tax   | 13,250                  | 13,250            | 6,506               | (6,744)              |
| Fines and Forfeitures                                   | 60,050                  | 60,050            | 90,091              | 30,041               |
| Licenses and Permits                                    | 56,600                  | 56,600            | 79,792              | 23,192               |
| State Mineral Severance                                 | 35,000                  | 35,000            | 80,780              | 45,780               |
| Sate Mineral Lease                                      | 30,000                  | 30,000            | 184,990             | 154,990              |
| Miscellaneous   | 92,650                  | 92,650            | 205,109             | 112,459              |
| Interest  | 5,000                   | 5,000             | 39,995              | 34,995               |
| <b>Total revenues</b>                                   | <b>3,006,530</b>        | <b>3,006,530</b>  | <b>3,868,049</b>    | <b>861,519</b>       |
| <b>Expenditures</b>                                     |                         |                   |                     |                      |
| Judicial  | 55,990                  | 55,990            | 53,363              | 2,627                |
| Executive and Legislative                               | 743,745                 | 757,725           | 634,797             | 122,928              |
| Fiscal  | 70,750                  | 70,750            | 65,673              | 5,077                |
| Legal   | 50,000                  | 50,000            | 30,353              | 19,647               |
| Building  | 143,050                 | 143,050           | 162,869             | (19,819)             |
| Community Development                                   | 511,850                 | 511,850           | 341,140             | 170,710              |
| Law Enforcement   | 610,900                 | 610,900           | 618,174             | (7,274)              |
| Records Coordination                                    | 76,760                  | 76,760            | 78,653              | (1,893)              |
| Engineering   | 40,000                  | 40,000            | 54,707              | (14,707)             |
| Parks   | 234,780                 | 234,780           | 225,505             | 9,275                |
| Contributions   | 26,250                  | 26,250            | 22,963              | 3,287                |
| <b>Total Expenditures</b>                               | <b>2,564,075</b>        | <b>2,578,055</b>  | <b>2,288,197</b>    | <b>289,858</b>       |
| <b>Excess of Revenues over<br/>(under) Expenditures</b> | <b>442,455</b>          | <b>428,475</b>    | <b>1,579,852</b>    | <b>1,151,377</b>     |
| <b>Other Financing Sources (Uses)</b>                   |                         |                   |                     |                      |
| Transfers (Out)   | (1,431,690)             | (1,366,690)       | (1,356,690)         | (10,000)             |
| <b>Change in available resources</b>                    | <b>(989,235)</b>        | <b>(938,215)</b>  | <b>223,162</b>      | <b>1,161,377</b>     |
| <b>Fund Balance, January 1</b>                          | <b>1,779,090</b>        | <b>1,779,090</b>  | <b>1,648,011</b>    | <b>(131,079)</b>     |
| <b>Fund Balance, December 31</b>                        | <b>\$ 789,855</b>       | <b>\$ 840,875</b> | <b>\$ 1,871,173</b> | <b>\$ 1,030,298</b>  |

**Town of Parachute**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Reserve Fund**  
**For the Year Ended December 31, 2022**

|   | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| <b>Revenues</b>   |                     |                     |                     |   |
| Revenues  | \$ -                | \$ -                | \$ -                | \$ -  |
| <b>Total revenues</b>                                   | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>  |
| <b>Expenditures</b>                                     |                     |                     |                     |   |
| Expenditures  | -                   | -                   | -                   | -   |
| <b>Total expenditures</b>                               | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>  |
| <b>Excess of revenues over<br/>(under) expenditures</b> | -                   | -                   | -                   | -   |
| <b>Fund balance, January 1</b>                          | <u>2,077,260</u>    | <u>2,077,260</u>    | <u>2,077,260</u>    | <u>-</u>  |
| <b>Fund balance, December 31</b>                        | <u>\$ 2,077,260</u> | <u>\$ 2,077,260</u> | <u>\$ 2,077,260</u> | <u>\$ -</u>   |

**Town of Parachute**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Grant Fund**  
**For the Year Ended December 31, 2022**

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <b>Variance with</b> |
|---------------------------------------|-------------------------|-------------------|-------------------|----------------------|
|                                       | <u>Original</u>         | <u>Final</u>      |                   | <b>Final Budget</b>  |
| <b>Revenues</b>                       |                         |                   |                   | <b>(Unfavorable)</b> |
| Grant Revenues                        | \$ 927,100              | \$ 462,100        | \$ 209,464        | \$ (252,636)         |
| <b>Total revenues</b>                 | <u>927,100</u>          | <u>462,100</u>    | <u>209,464</u>    | <u>(252,636)</u>     |
| <b>Expenditures</b>                   |                         |                   |                   |                      |
| Expenditures                          | 1,454,990               | 954,990           | 385,299           | 569,691              |
| <b>Total expenditures</b>             | <u>1,454,990</u>        | <u>954,990</u>    | <u>385,299</u>    | <u>569,691</u>       |
| <b>Excess of revenues over</b>        |                         |                   |                   |                      |
| <b>(under) expenditures</b>           | (527,890)               | (492,890)         | (175,835)         | 317,055              |
| <b>Other Financing Sources (Uses)</b> |                         |                   |                   |                      |
| Transfers (Out)                       | 527,890                 | 527,890           | 527,890           | -                    |
| <b>Change in available resources</b>  | -                       | 35,000            | 352,055           | 317,055              |
| <b>Fund balance, January 1</b>        | 76,707                  | 76,707            | 52,804            | (23,903)             |
| <b>Fund balance, December 31</b>      | <u>\$ 76,707</u>        | <u>\$ 111,707</u> | <u>\$ 404,859</u> | <u>\$ 293,152</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, 2022**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>       | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|---|-------------------------|-------------------|---------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                     |   |
| <b>Revenues</b>   |                         |                   |                     |   |
| Grants  | \$ 140,255              | \$ 140,255        | \$ 140,253          | \$ (2)  |
| <b>Total revenues</b>                                   | <u>140,255</u>          | <u>140,255</u>    | <u>140,253</u>      | <u>(2)</u>  |
| <b>Expenditures</b>                                     |                         |                   |                     |   |
| Capital Outlay  | 981,500                 | 571,500           | 395,165             | 176,335   |
| <b>Total expenditures</b>                               | <u>981,500</u>          | <u>571,500</u>    | <u>395,165</u>      | <u>176,335</u>  |
| <b>Excess of Revenues over<br/>(under) Expenditures</b> | (841,245)               | (431,245)         | (254,912)           | (176,337)   |
| <b>Other Financing Sources (Uses)</b>                   |                         |                   |                     |   |
| Transfers (out)   | 528,800                 | 528,800           | 528,800             | -   |
| <b>Change in available resources</b>                    | (312,445)               | 97,555            | 273,888             | 176,333   |
| <b>Fund Balance, January 1</b>                          | 792,126                 | 792,126           | 794,776             | 2,650   |
| <b>Fund Balance, December 31</b>                        | <u>\$ 479,681</u>       | <u>\$ 889,681</u> | <u>\$ 1,068,664</u> | <u>\$ 178,983</u>   |

**Town of Parachute  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2022**

|  | <b>Conservation<br/>Trust<br/>Fund</b> | <b>Streets and<br/>Alleys<br/>Fund</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|--|--|--|
| <b>Assets</b>                              |  |  |  |
| Cash and cash equivalents                  | \$ 29,993                              | \$ 72,889                              | \$ 102,882   |
| Accounts receivable                        | -                                      | 6,919                                  | 6,919  |
| <b>Total assets</b>                        | <b>\$ 29,993</b>                       | <b>\$ 79,808</b>                       | <b>\$ 109,801</b>                                    |
| <b>Liabilities and Fund Balances</b>       |  |  |  |
| Liabilities:                               |  |  |  |
| Accounts Payable                           | \$ -                                   | \$ 1,259                               | \$ 1,259   |
| Accrued Payroll                            | -                                      | 4,664                                  | 4,664  |
| <b>Total liabilities</b>                   | <b>-</b>                               | <b>5,923</b>                           | <b>5,923</b>   |
| <b>Fund balances:</b>                      |  |  |  |
| Unreserved:                                | 29,993                                 | 73,885                                 | 103,878  |
| Total fund balances                        | 29,993                                 | 73,885                                 | 103,878  |
| <b>Total liabilities and fund balances</b> | <b>\$ 29,993</b>                       | <b>\$ 79,808</b>                       | <b>\$ 109,801</b>                                    |

**Town of Parachute**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2022**

|  | <b>Conservation<br/>Trust<br/>Fund</b> | <b>Streets and<br/>Alleys<br/>Fund</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|--|--|--|--|
| <b>REVENUES</b>                                      |  |  |  |
| Taxes  | \$ -                                   | \$ 38,244                              | \$ 38,244  |
| Intergovernmental                                    | 8,870                                  | 51,324                                 | 60,194   |
| Interest Income                                      | 9                                      | 1,806                                  | 1,815  |
| <b>Total revenues</b>                                | <u>8,879</u>                           | <u>91,374</u>                          | <u>100,253</u>                                       |
| <b>EXPENDITURES</b>                                  |  |  |  |
| Street and Alleys                                    | -                                      | 262,011                                | 262,011  |
| Capital Outlay                                       | 44,928                                 | -                                      | 44,928   |
| <b>Total expenditures</b>                            | <u>44,928</u>                          | <u>262,011</u>                         | <u>306,939</u>                                       |
| <b>Excess revenues over<br/>(under) expenditures</b> | (36,049)                               | (170,637)                              | (206,686)  |
| <b>Other Financing Sources (Uses)</b>                |  |  |  |
| Transfers in (out)                                   | -                                      | 200,000                                | 200,000  |
| Net change in fund balance                           | (36,049)                               | 29,363                                 | (6,686)  |
| <b>Fund balance, January 1</b>                       | <u>66,042</u>                          | <u>44,522</u>                          | <u>110,564</u>                                       |
| <b>Fund balance, December 31</b>                     | <u>\$ 29,993</u>                       | <u>\$ 73,885</u>                       | <u>\$ 103,878</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, 2022**

|                                       | <u>Budgeted Amounts</u> |                         | <u>Actual</u>                  | <b>Variance with</b>   |
|---------------------------------------|-------------------------|-------------------------|--------------------------------|------------------------|
|                                       | <u>Original</u>         | <u>Final</u>            |                                | <b>Final Budget</b>    |
| <b>Revenues</b>                       |                         |                         |                                | <b>Favorable</b>       |
| Lottery funds                         | \$ 6,500                | \$ 6,500                | \$ <b>8,870</b>                | \$ 2,370               |
| Grants                                | 50,000                  | 50,000                  | -                              | (50,000)               |
| Interest                              | -                       | -                       | <b>9</b>                       | 9                      |
| <b>Total revenues</b>                 | <u>56,500</u>           | <u>56,500</u>           | <u><b>8,879</b></u>            | <u>(47,621)</u>        |
| <b>Expenditures</b>                   |                         |                         |                                |                        |
| Capital Projects                      | 60,000                  | 60,000                  | <b>44,928</b>                  | 15,072                 |
| <b>Total expenditures</b>             | <u>60,000</u>           | <u>60,000</u>           | <u><b>44,928</b></u>           | <u>15,072</u>          |
| <b>Excess of Revenues over</b>        |                         |                         |                                |                        |
| <b>(under) Expenditures</b>           | (3,500)                 | (3,500)                 | <b>(36,049)</b>                | (62,693)               |
| <b>Other Financing Sources (Uses)</b> |                         |                         |                                |                        |
| Transfers In                          | 10,000                  | 10,000                  | -                              | 10,000                 |
| <b>Change in available resources</b>  | 6,500                   | 6,500                   | <b>(36,049)</b>                | (42,549)               |
| <b>Fund Balance, January 1</b>        | <u>16,021</u>           | <u>16,021</u>           | <u><b>66,042</b></u>           | <u>50,021</u>          |
| <b>Fund Balance, December 31</b>      | <u><u>\$ 22,521</u></u> | <u><u>\$ 22,521</u></u> | <u><u><b>\$ 29,993</b></u></u> | <u><u>\$ 7,472</u></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, 2022**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <b>Variance with</b> |
|---------------------------------------|-------------------------|------------------|------------------|----------------------|
|                                       | <u>Original</u>         | <u>Final</u>     |                  | <b>Final Budget</b>  |
| <b>Revenues</b>                       |                         |                  |                  | <b>Favorable</b>     |
| Taxes                                 | \$ 36,500               | \$ 36,500        | \$ 38,244        | \$ 1,744             |
| Intergovernmental                     | 50,920                  | 50,920           | 51,324           | 404                  |
| Miscellaneous                         | 1,200                   | 1,200            | 1,806            | 606                  |
| <b>Total revenues</b>                 | <u>88,620</u>           | <u>88,620</u>    | <u>91,374</u>    | <u>2,754</u>         |
| <b>Expenditures</b>                   |                         |                  |                  |                      |
| Street and Alleys                     | 260,880                 | 262,733          | 262,011          | 722                  |
| <b>Total expenditures</b>             | <u>260,880</u>          | <u>262,733</u>   | <u>262,011</u>   | <u>722</u>           |
| <b>Excess of Revenues over</b>        |                         |                  |                  |                      |
| <b>(under) Expenditures</b>           | (172,260)               | (174,113)        | (170,637)        | 3,476                |
| <b>Other Financing Sources (Uses)</b> |                         |                  |                  |                      |
| Transfers In/out                      | 200,000                 | 200,000          | 200,000          | -                    |
| <b>Change in available resources</b>  | 27,740                  | 25,887           | 29,363           | 3,476                |
| <b>Fund Balance, January 1</b>        | <u>40,130</u>           | <u>40,130</u>    | <u>44,522</u>    | <u>4,392</u>         |
| <b>Fund Balance, December 31</b>      | <u>\$ 67,870</u>        | <u>\$ 66,017</u> | <u>\$ 73,885</u> | <u>\$ 7,868</u>      |



**Town of Parachute**  
**Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual**  
**Water Fund**  
**For the Year Ended December 31, 2022**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <b>Variance with</b> |
|---|-------------------------|-------------------|-------------------|----------------------|
|   | <u>Original</u>         | <u>Final</u>      |                   | <b>Final Budget</b>  |
| <b>Revenues</b>                         |                         |                   |                   | <b>Favorable</b>     |
|   |                         |                   |                   | <b>(Unfavorable)</b> |
| Charges for Services                    | \$ 425,000              | \$ 425,000        | \$ 456,663        | \$ 31,663            |
| Interest Income                         | 50                      | 50                | 61                | 11                   |
| Grants                                  | 44,000                  | 112,620           | -                 | (112,620)            |
| Tap Fees                                | 30,000                  | 30,000            | 101,316           | 71,316               |
| Miscellaneous                           | -                       | -                 | 425               | 425                  |
| <b>Total revenues</b>                   | <u>499,050</u>          | <u>567,670</u>    | <u>558,465</u>    | <u>(9,205)</u>       |
| <b>Expenditures</b>                     |                         |                   |                   |                      |
| Personnel                               | 259,050                 | 260,699           | 207,471           | 53,228               |
| Office                                  | 700                     | 700               | 2,276             | (1,576)              |
| Operations Supplies                     | 23,300                  | 23,300            | 10,882            | 12,418               |
| Water                                   | 17,000                  | 17,000            | 18,573            | (1,573)              |
| Repairs and Maintenance                 | 91,500                  | 91,500            | 72,867            | 18,633               |
| Purchased Services                      | 10,000                  | 10,000            | 4,962             | 5,038                |
| Insurance                               | 10,270                  | 10,270            | 10,270            | -                    |
| Utilities                               | 36,000                  | 36,000            | 25,047            | 10,953               |
| Professional Services                   | 14,000                  | 36,500            | 2,242             | 34,258               |
| Other Expenses                          | 11,000                  | 11,000            | 18,003            | (7,003)              |
| Debt Service                            | 31,770                  | 31,770            | 31,231            | 539                  |
| Capital Outlay                          | 55,000                  | 199,820           | 21,961            | 177,859              |
| <b>Total expenditures</b>               | <u>559,590</u>          | <u>728,559</u>    | <u>425,785</u>    | <u>302,774</u>       |
| <b>Excess of Revenues over</b>          |                         |                   |                   |                      |
| <b>(under) Expenditures</b>             | <u>(60,540)</u>         | <u>(160,889)</u>  | <u>132,680</u>    | <u>293,569</u>       |
| <b>Available resources, January 1</b>   | <u>392,159</u>          | <u>392,159</u>    | <u>397,679</u>    | <u>5,520</u>         |
| <b>Available resources, December 31</b> | <u>\$ 331,619</u>       | <u>\$ 231,270</u> | <u>\$ 530,359</u> | <u>\$ 299,089</u>    |

**Town of Parachute**  
**Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual**  
**Wastewater Fund**  
**For the Year Ended December 31, 2022**

|   | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|------------------|------------|------------|---|
|   | Original         | Final      |            |   |
| <b>Revenues</b>   |                  |            |            |   |
| Charges for Services                                    | \$ 295,000       | \$ 295,000 | \$ 303,217 | \$ 8,217  |
| Tap Fees  | 15,000           | 15,000     | 41,400     | 26,400  |
| Miscellaneous   | -                | -          | 374        | 374   |
| <b>Total revenues</b>                                   | 310,000          | 321,250    | 344,991    | 23,741  |
| <b>Expenditures</b>                                     |                  |            |            |   |
| Personnel   | 66,440           | 67,140     | 62,396     | 4,744   |
| Office  | 350              | 350        | 514        | (164)   |
| Operations Supplies                                     | 5,000            | 5,000      | 1,937      | 3,063   |
| Treatment   | 150,000          | 150,000    | 138,936    | 11,064  |
| Repairs and Maintenance                                 | 14,250           | 14,250     | 15,012     | (762)   |
| Purchased Services                                      | 2,530            | 2,530      | 1,625      | 905   |
| Utilities   | 12,700           | 12,700     | 6,363      | 6,337   |
| Professional Services                                   | 8,500            | 31,000     | 54         | 30,946  |
| Other Expenses  | 13,500           | 13,500     | 16,753     | (3,253)   |
| Capital Outlay  | 100,000          | 100,000    | -          | 100,000   |
| <b>Total expenditures</b>                               | 373,270          | 396,470    | 243,590    | 152,880   |
| <b>Excess of revenues over<br/>(under) expenditures</b> | (63,270)         | (75,220)   | 101,401    | 176,621   |
| <b>Available Resources, January 1</b>                   | 231,837          | 231,837    | 219,240    | (12,597)  |
| <b>Available Resources, December 31</b>                 | \$ 168,567       | \$ 156,617 | \$ 320,641 | \$ 164,024  |

**Town of Parachute**  
**Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual**  
**Garbage Fund**  
**For the Year Ended December 31, 2022**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                  |   |
| <b>Revenues</b>   |                         |                  |                  |   |
| Charges for Services                                    | \$ 72,000               | \$ 72,000        | \$ 73,388        | \$ 1,388  |
| <b>Total revenues</b>                                   | <u>72,000</u>           | <u>72,000</u>    | <u>73,388</u>    | <u>1,388</u>  |
| <b>Expenditures</b>                                     |                         |                  |                  |   |
| Contract Hauler   | 63,140                  | 68,140           | 67,029           | 1,111   |
| <b>Total expenditures</b>                               | <u>63,140</u>           | <u>68,140</u>    | <u>67,029</u>    | <u>1,111</u>  |
| <b>Excess of Revenues over<br/>(under) Expenditures</b> | 8,860                   | 3,860            | 6,359            | 2,499   |
| <b>Available resources, January 1</b>                   | <u>67,875</u>           | <u>67,875</u>    | <u>62,620</u>    | <u>(5,255)</u>  |
| <b>Available resources, December 31</b>                 | <u>\$ 76,735</u>        | <u>\$ 71,735</u> | <u>\$ 68,979</u> | <u>\$ (2,756)</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, 2022**

|   | <u>Budgeted Amounts</u> |                 | <u>Actual</u>          | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|-----------------|------------------------|---|
|   | <u>Original</u>         | <u>Final</u>    |                        |   |
| <b>Revenues</b>   |                         |                 |                        |   |
| Charges for Services                                    | \$ 35,350               | \$ -            | \$ -                   | \$ -  |
| <b>Total revenues</b>                                   | <u>35,350</u>           | <u>-</u>        | <u>-</u>               | <u>-</u>  |
| <b>Expenditures</b>                                     |                         |                 |                        |   |
| Personnel   | 67,970                  | 2,685           | <b>2,723</b>           | (38)  |
| Office  | 2,250                   | 448             | <b>448</b>             | -   |
| Operations Supplies                                     | 8,750                   | 32              | <b>31</b>              | 1   |
| Repairs and Maintenance                                 | 800                     | -               | -                      | -   |
| Purchased Services                                      | 500                     | 500             | -                      | 500   |
| Utilities   | 2,200                   | 155             | <b>154</b>             | 1   |
| Professional Services                                   | 500                     | -               | -                      | -   |
| Other Expenses  | 5,200                   | 180             | <b>180</b>             | -   |
| <b>Total expenditures</b>                               | <u>88,170</u>           | <u>4,000</u>    | <u><b>3,536</b></u>    | <u>464</u>  |
| <b>Excess of Revenues over<br/>(under) Expenditures</b> | (52,820)                | (4,000)         | <b>(3,536)</b>         | 464   |
| <b>Other Financing Sources (Uses)</b>                   |                         |                 |                        |   |
| Transfers in  | 65,000                  | -               | -                      | -   |
| <b>Change in available resources</b>                    | 12,180                  | (4,000)         | <b>(3,536)</b>         | 464   |
| <b>Available resources, January 1</b>                   | <u>7,083</u>            | <u>7,083</u>    | <u><b>8,639</b></u>    | <u>1,556</u>  |
| <b>Available resources, December 31</b>                 | <u>\$ 19,263</u>        | <u>\$ 3,083</u> | <u><b>\$ 5,103</b></u> | <u>\$ 2,020</u>   |

**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, 2022**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <u>Variance with</u> |
|---|-------------------------|-------------------|-------------------|----------------------|
|   | <u>Original</u>         | <u>Final</u>      |                   | <u>Final Budget</u>  |
| <b>Revenues</b>                         |                         |                   |                   | <b>Favorable</b>     |
| Grants                                  | \$ 250,000              | \$ 250,000        | \$ 250,000        | \$ -                 |
| Charges for Services                    | 15,000                  | 15,000            | 13,235            | (1,765)              |
| Miscellaneous                           | -                       | -                 | 5,357             | 5,357                |
| <b>Total revenues</b>                   | <u>265,000</u>          | <u>265,000</u>    | <u>268,592</u>    | <u>3,592</u>         |
| <b>Expenditures</b>                     |                         |                   |                   |                      |
| Personnel                               | 226,370                 | 249,588           | 256,573           | (6,985)              |
| Office                                  | -                       | -                 | -                 | -                    |
| Operations Supplies                     | 2,250                   | 2,250             | 838               | 1,412                |
| Repairs and Maintenance                 | 6,500                   | 16,500            | 10,609            | 5,891                |
| Purchased Services                      | 2,500                   | 2,500             | 2,332             | 168                  |
| Insurance                               | 2,130                   | 2,130             | 3,130             | (1,000)              |
| Utilities                               | 1,880                   | 1,880             | 1,237             | 643                  |
| Professional Services                   | 1,250                   | 1,250             | 140               | 1,110                |
| Other Expenses                          | 42,700                  | 76,700            | 42,909            | 33,791               |
| Capital Outlay                          | -                       | -                 | 26,422            | (26,422)             |
| <b>Total expenditures</b>               | <u>285,580</u>          | <u>352,798</u>    | <u>344,190</u>    | <u>8,608</u>         |
| <b>Excess of Revenues over</b>          |                         |                   |                   |                      |
| <b>(under) Expenditures</b>             | (20,580)                | (87,798)          | (75,598)          | 12,200               |
| <b>Other Financing Sources (Uses)</b>   |                         |                   |                   |                      |
| Transfers in                            | 100,000                 | 100,000           | 100,000           | -                    |
| <b>Change in available resources</b>    | 79,420                  | 12,202            | 24,402            | 12,200               |
| <b>Available resources, January 1</b>   | <u>171,980</u>          | <u>171,980</u>    | <u>171,176</u>    | <u>(804)</u>         |
| <b>Available resources, December 31</b> | <u>\$ 251,400</u>       | <u>\$ 184,182</u> | <u>\$ 195,578</u> | <u>\$ 11,396</u>     |

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

|                                     |                         |
|-------------------------------------|-------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | City or County:         |
|                                     | Town of Parachute       |
|                                     | YEAR ENDING :<br>Dec-22 |

|                                       |                   |   |
|---------------------------------------|-------------------|---|
| This Information From The Records Of: | Town of Parachute | Prepared By: Teresa Beecraft, Finance Director<br>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  |
|---|---------|---|---------|
| <b>A. Receipts from local sources:</b>                      |         | <b>A. Local highway disbursements:</b>            |         |
| 1. Local highway-user taxes                                 |         | 1. Capital outlay (from page 2)                   | 232,369 |
| a. Motor Fuel (from Item I.A.5.)                            |         | 2. Maintenance:                                   | 5,840   |
| b. Motor Vehicle (from Item I.B.5.)                         |         | 3. Road and street services:                      |         |
| c. Total (a.+b.)  |         | a. Traffic control operations                     | 50,404  |
| 2. General fund appropriations                              | 200,000 | b. Snow and ice removal                           | 20,673  |
| 3. Other local imposts (from page 2)                        | 10,042  | c. Other  | 16,887  |
| 4. Miscellaneous local receipts (from page 2)               | 12,782  | d. Total (a. through c.)                          | 87,964  |
| 5. Transfers from toll facilities                           | 0       | 4. General administration & miscellaneous         | 160,840 |
| 6. Proceeds of sale of bonds and notes:                     |         | 5. Highway law enforcement and safety             | 0       |
| a. Bonds - Original Issues                                  | 0       | 6. Total (1 through 5)                            | 487,013 |
| b. Bonds - Refunding Issues                                 | 0       | <b>B. Debt service on local obligations:</b>      |         |
| c. Notes  | 0       | 1. Bonds:   |         |
| d. Total (a. + b. + c.)                                     | 0       | a. Interest                                       | 0       |
| 7. Total (1 through 6)                                      | 222,824 | b. Redemption                                     | 0       |
| <b>B. Private Contributions</b>                             | 0       | c. Total (a. + b.)                                | 0       |
| <b>C. Receipts from State government</b><br>(from page 2)   | 80,955  | 2. Notes:   |         |
| <b>D. Receipts from Federal Government</b><br>(from page 2) | 0       | a. Interest                                       | 0       |
| <b>E. Total receipts (A.7 + B + C + D)</b>                  | 303,779 | b. Redemption                                     | 0       |
|   |         | c. Total (a. + b.)                                | 0       |
|   |         | 3. Total (1.c + 2.c)                              | 0       |
|   |         | <b>C. Payments to State for highways</b>          | 0       |
|   |         | <b>D. Payments to toll facilities</b>             | 0       |
|   |         | <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 487,013 |

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

|                              | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>      | -            | -             | -           | -            |
| 1. Bonds (Refunding Portion) | -            | -             | -           | -            |
| <b>B. Notes (Total)</b>      | 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 |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | 44,522               | 291,374           | 262,013                | 73,883            | 73,883            |

**Notes and Comments:**

|   |            |
|---|------------|
| Less Dola Grant in Capital Fund               | -          |
| Less Traffic revenues in General fund         | 12,405.00  |
| Less striping and maintenance in capital fund | 225,000.00 |

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
Dec-22

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

| ITEM                              | AMOUNT                    | ITEM                                      | AMOUNT                    |
|-----------------------------------|---------------------------|---|---------------------------|
| <b>A.3. Other local imposts:</b>  |                           | <b>A.4. Miscellaneous local receipts:</b> |                           |
| a. Property Taxes and Assessments | 0                         | a. Interest on investments                | 0                         |
| b. Other local imposts:           |                           | b. Traffic Fines & Penalties              | 12,405                    |
| 1. Sales Taxes                    | 8,613                     | 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  | 1,429                     | g. Other Misc. Receipts                   | 377                       |
| 6. Total (1. through 5.)          | 10,042                    | h. Other                                  | 0                         |
| c. Total (a. + b.)                | 10,042                    | i. Total (a. through h.)                  | 12,782                    |
|                                   | (Carry forward to page 1) |   | (Carry forward to page 1) |

| ITEM                                     | AMOUNT | ITEM                                       | AMOUNT                    |
|--|--------|--|---------------------------|
| <b>C. Receipts from State Government</b> |        | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                    | 51,324 | 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           | 29,631 | 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.)                 | 29,631 | g. Total (a. through g.)                   | 0                         |
| 4. Total (1. + 2. + 3.f)                 | 80,955 | 3. Total (1. + 2.g)                        |                           |
|  |        |  | (Carry forward to page 1) |

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

|   | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)              |
|---|---|--|---------------------------|
| <b>A.1. Capital outlay:</b>                         |   |  |                           |
| a. Right-Of-Way Costs                               |   | 7,369                                    | 7,369                     |
| b. Engineering Costs                                |   | 0  | 0                         |
| c. Construction:                                    |   |  |                           |
| (1). New Facilities                                 |   | 0  | 0                         |
| (2). Capacity Improvements                          |   | 0  | 0                         |
| (3). System Preservation                            |   | 225,000                                  | 225,000                   |
| (4). System Enhancement & Operation                 |   | 0  | 0                         |
| (5). Total Construction (1) + (2) + (3) + (4)       | 0                                       | 225,000                                  | 225,000                   |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0                                       | 232,369                                  | 232,369                   |
|   |   |  | (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 225,000  
0  
Traffic fines were received in General fund 12,405