Town of Parachute
Financial Statements and
Independent Auditor's Report
as of
December 31, 2017

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Town of Parachute

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Blair and Associates P.C.
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Parachute, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Town of Parachute, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Parachute, Colorado, as of December 31, 2017, 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.

Collice P. Blair, Jr., CPA, CFE

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension asset, schedule of contributions to pension plan and budgetary comparison information on pages 3-11, 39, 40 and 41-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Parachute, Colorado's basic financial statements. The Combining Statements for the nonmajor governmental funds, Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual for the Governmental Funds, Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements for the nonmajor governmental funds, Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual for the Governmental Funds, Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds and local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements for the nonmajor governmental funds, Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual for the Governmental Funds, Schedules of Revenues, Expenditures and Changes in Available Resources-Budget and Actual-Enterprise Funds and local highway finance report are fairly stated in all material respects in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
June 8, 2018

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, 2017. 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 $16,811,878 (net position) as of December 31, 2017.

- Total net position is comprised of the following:

  Net investment in capital assets in the amount of $11,683,029 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

  Net position $122,750 is restricted for emergency reserves.

  Net position of $5,006,099, 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 $4,794,226 this year. This compares to the prior year ending fund balance of $5,069,698, a decrease of $275,472.

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

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information that includes all of the Town's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating.

The *Statement of Activities*, presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods.

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

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

Fund Financial Statements

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

The Town has two types of funds:

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

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

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

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

Financial Analysis of the Town as a Whole

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

The Town's net position at fiscal year-end is $16,811,878. The following tables provide a summary of the Town's net position for 2017 and 2016.

	Governmental Activities		Business Type Activities		Totals	
Assets	2017	2016	2017	2016	2017	2016
Current and other assets	$ 5,207,739	$ 5,729,803	$ 417,501	$ 449,852	$ 5,625,240	$ 6,179,655
Captial assets	9,482,007	9,138,380	2,331,448	1,951,414	11,813,455	11,089,794
Total assets	14,689,746	14,868,183	2,748,949	2,401,266	17,438,695	17,269,449
Deferred outflows	67,882	17,973	-	-	67,882	17,973
Current liabilities	126,343	106,243	61,763	46,227	188,106	152,470
Non-current liabilities	15,042	-	130,426	135,674	145,468	135,674
Total liabilities	141,385	106,243	192,189	181,901	333,574	288,144
Deferred inflow of resources	361,125	376,058	-	-	361,125	376,058
Net position						
Investment in capital assets, net of related debt	9,482,007	9,135,245	2,201,022	1,740,995	11,683,029	10,876,240
Restricted	122,750	186,685	-	-	122,750	186,685
Unrestricted	4,650,361	5,081,925	355,738	478,370	5,006,099	5,560,295
Total net position	$ 14,255,118	$ 14,403,855	$ 2,556,760	$ 2,219,365	$ 16,811,878	$ 16,623,220

Note that approximately 70% of the Town's total net position is tied up in capital.

In 2017, revenues in the various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2017 and 2016.

	Governemental Activities		Business Type Activities		Total	
Revenues	2017	2016	2017	2016	2017	2016
Program revenues						
Charges for services	$ 283,144	$ 208,105	$ 735,252	$ 683,326	$ 1,018,396	$ 891,431
Operating grants	87,019	31,110	-	-	87,019	31,110
Capital grants	194,999	430,438	300,000	-	494,999	430,438
General revenues						
Property taxes	357,639	395,679	-	-	357,639	395,679
Intergovernmental	189,746	604,423	-	-	189,746	604,423
Sales taxes and other	1,591,198	1,317,183	-	-	1,591,198	1,317,183
Franchise taxes	3,543	4,258	-	-	3,543	4,258
Miscellaneous	114,592	-	-	-	114,592	-
Interest income	24,415	14,584	59	72	24,474	14,656
Transfers in (out)	(63,890)	(90,210)	63,890	90,210	-	-
Totals	2,782,405	2,915,570	1,099,201	773,608	3,881,606	3,689,178
Expenses						
General government	1,451,951	1,345,139	-	-	1,451,951	1,345,139
Public safety	558,618	526,235	-	-	558,618	526,235
Highway and streets	689,714	677,686	-	-	689,714	677,686
Culture and recreation	230,859	183,634	-	-	230,859	183,634
Water	-	-	470,833	455,403	470,833	455,403
Wastewater	-	-	231,280	241,295	231,280	241,295
Garbage	-	-	59,693	59,307	59,693	59,307
Total expenses	2,931,142	2,732,694	761,806	756,005	3,692,948	3,488,699
Increase in net position	(148,737)	182,876	337,395	17,603	188,658	200,479
Beginning	14,403,855	14,220,979	2,219,365	2,201,762	16,623,220	16,422,741
Ending	$ 14,255,118	$ 14,403,855	$ 2,556,760	$ 2,219,365	$ 16,811,878	$ 16,623,220

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2017, taxes equaled $1,989,670 or 69.5% of total revenues of $2,846,295 for the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs increased $945,365 or 29% when compared to 2016, mainly due to the increase in capital outlay expenditures from 2016. Public Safety comprises 15% of the Town's total governmental expenses, General Government at 46%, Highways and Street at 8%, Capital Outlay at 31%.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

Information about the Town's governmental funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2017, the total fund balances of the Town's governmental funds were $4,794,226. Approximately 18 percent of this consists of unassigned fund balance, which is available as working capital and 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 ($122,750), (2) capital reserves ($689,325) and (3) reserve for future operations ($3,005,150). The Town had Governmental revenues and other financing sources of $2,846,295 and expenditures of $3,278,384.

Proprietary Funds

Information about the Town's proprietary funds begins on page 18. These funds are accounted for using the accrual basis of accounting.

As of December 31, 2017, the total net position of the Town's proprietary funds was $2,556,760. Approximately 14% or $355,738 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 ($2,201,022). The Town had Proprietary operating revenues, non-operating revenues, and contributions of $1,099,201 and operating expenses and non-operating expenses of $761,806.

Budgetary Highlights

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

	Original Appropriation	Amendments	Revised Appropriation	Actual Expenditures
General Fund	2,414,300	-	2,414,300	2,403,918
Streets and Alleys Fund	263,010	-	263,010	261,296
Conservation Trust Fund	78,494	-	78,494	-
Grant fund	1,482,305	-	1,482,305	-
Reserve Fund	-	-	-	-
Parachute Capital Improvement Fund	1,035,330	-	1,035,330	1,018,530
Water fund	1,317,705	-	1,317,705	905,825
Waste Water fund	457,005	-	457,005	211,615
Garbage Fund	56,000	-	56,000	59,693
	$7,104,149.00	$ -	$7,104,149.00	$4,860,876.45

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2017, was $9,482,007 for governmental activities and $2,331,448 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004. The following table provides a summary of capital asset activity.

	Beginning Balance	**Additions**	**Deletions**	**Ending Balance**
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$2,739,421	$351,749	$ -	$3,091,170
Total Capital Assets Not Being Depreciated	2,739,421	351,749	-	3,091,170
Depreciable Capital Assets:				
Buildings	3,282,846	-	-	3,282,846
Improvements/Infrastructure	5,946,147	508,927	-	6,455,074
Furniture & Equipment	151,393	11,750	-	163,143
Machinery & Equipment	485,865	92,679	-	578,544
Vehicles	617,707	9,800		627,507
Total Depreciable Capital Assets	10,483,958	623,156	-	11,107,114
Accumulated Depreciation:				
Buildings	(958,650)	(88,829)	-	(1,047,479)
Improvements/Infrastructure	(2,214,054)	(434,023)	-	(2,648,077)
Furniture & Equipment	(119,782)	(12,848)	-	(132,630)
Machinery & Equipment	(311,005)	(36,898)	-	(347,903)
Vehicles	(481,510)	(58,679)	-	(540,189)
Total Accumulated Depreciation	(4,085,000)	(631,277)	-	(4,716,277)
Net Depreciable Capital Assets	6,398,958	(8,121)	-	6,390,837
Total Net Governmental Activities	$9,138,379	$343,628	$ -	$9,482,007

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 5,067	$ -	$ -	$ 5,067
Water Rights	282,101	-	-	282,101
Total Capital Assets Not Being Depreciated	287,168	-	-	287,168
Depreciable Capital Assets:				
Water Utility System	2,211,208	483,840	-	2,695,048
Wastewater Utility System	836,858	-	-	836,858
Water Storage Tanks	649,105	-	-	649,105
Machinery & Equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Total Depreciable Capital Assets	3,996,276	483,840	-	4,480,116
Accumulated Depreciation:				
Water Utility System	(1,321,002)	(61,117)	-	(1,382,119)
Wastewater System	(635,205)	(16,849)	-	(652,054)
Water Storage Tanks	(144,883)	(12,602)	-	(157,485)
Machinery & Equipment	(212,388)	(11,234)	-	(223,622)
Vehicles	(18,551)	(2,005)	-	(20,556)
Total Accumulated Depreciation	(2,332,029)	(103,806)	-	(2,435,836)
Net Depreciable Capital Assets	1,664,247	380,033	-	2,044,280
Total Business-Type Activities	$1,951,415	$380,033	$ -	$2,331,448

At December 31, 2017, the depreciable capital assets for governmental activities were 42% depreciated. As for the Town's business-type activities, 54% of the asset values were depreciated at December 31, 2017.

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

Long-term Debt

During the year ended December 31, 2017, the Town did not enter into any new capital leases and paid leases totaling $6269. ($3,135 for the General Fund, $1,567 for the Water Fund, and $1,567 for the Wastewater Fund) An additional $32,161 of notes was paid by the Water Fund.

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

Economic Conditions Affecting the Town

The 2015 update to the Town of Parachute Comprehensive Plan included an economic analysis / plan. The plan made five (5) recommendations for the Town to pursue in building the economic vitality of the Town.

The Town did two (2) things simultaneously to begin. First, large events were planned to take place in the Town. In 2017, we sponsored our first annual Rockmageddon event in July. This event includes an ATV/OHV rally; drive-in movie in the park; ATV/OHV barrel racing and whacko mole; and a Mud Drag.

Our third annual Oktoberfest event was held in October. The day is for food, family, and music. The concert featured Jerrod Niemann this year.

Secondly, the Town passed an ordinance that allowed both recreational and medical marijuana within the Town limits. The Town now has six (6) open recreational retail stores. The sales of marijuana has allowed the Town to maintain the level of sales tax subsequent to yet another downturn in the natural gas industry. We expect that two (2) marijuana cultivation facilities will be built in 2018, thus bringing in significant excise tax revenue.

The recommendations from the Comprehensive Plan update included the following:

#1 – Recreation and Tourism
#2 – Central Business District
#3 – Recreational Sports Complex
#4 – Truck Stop
#5 – Sodium Bicarbonate

The Town is currently working on several activities to implement these recommendations.

ToP Adventures was organized by the Town to provide river and mountain access to the Town. We anticipate that this will kick start other outdoor recreational activities to bring tourists to the Town.

We are in the planning stages to re-zone the entire Town in an effort to identify what uses are to be allowed and encouraged in specific zoning areas. The Central Business District is just one of the areas we are focusing on to bring economic benefit to the Town.

The Town is also well on its way to creating a very comprehensive parks and recreation plan. This is being done to provide recreational opportunities to community residents and encourage visitors to come to the Town to stay, eat, and play.

Contacting the Town's Financial Management

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

Town of Parachute
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 4,236,629	$ 350,628	$ 4,587,257
Property Taxes Receivable	342,890	-	342,890
Accounts Receivable	624,685	70,408	695,093
Internal Balances	3,535	(3,535)	-
Capital assets			
Nondepreciable	3,091,170	287,168	3,378,338
Depreciable, net of accumulated depreciation	6,390,837	2,044,280	8,435,117
Total assets	14,689,746	2,748,949	17,438,695
DEFERRED OUTFLOWS			
Deferred outflows of resources related to pensions	67,882	-	67,882
Total Deferred outflows	67,882	-	67,882
LIABILITIES			
Accounts Payable	70,623	52,987	123,610
Accrued compensated absences	55,720	8,776	64,496
Noncurrent liabilities:			
Due within one year	-	15,596	15,596
Due more than one year:	-	114,830	114,830
Net pension liability	15,042	-	15,042
Total liabilities	141,385	192,189	333,574
Deferred inflows of resources			
Deferred property taxes	342,890	-	342,890
Deferred inflows of resources related to pensions	18,235	-	18,235
Total Deferred inflows of resources	361,125	-	361,125
NET POSITION			
Invested in capital assets	9,482,007	2,201,022	11,683,029
Restricted for:			
Tabor	122,750	-	122,750
Unrestricted	4,650,361	355,738	5,006,099
Total net position	$ 14,255,118	$ 2,556,760	$ 16,811,878

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Activities
For the Year Ended December 31, 2017

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 1,451,951	$ 121,620	$ -	$ 175,000
Public Safety	558,618	61,796	-	-
Highway and Streets	689,714	-	81,554	19,999
Culture and Recreation	230,859	99,728	5,465	-
Total governmental activities	2,931,142	283,144	87,019	194,999
Business-type activities:				
Water	470,833	428,108	-	300,000
Wastewater	231,280	242,922	-	-
Garbage	59,693	64,222	-	-
Total business- type activities	761,806	735,252	-	300,000
Total primary government	$ 3,692,948	$ 1,018,396	$ 87,019	$ 494,999

General Revenues
Taxes:
Sales and Use tax
Property Tax
Franchise taxes
Other Tax
Intergovernmental
Unrestricted investment earnings
Miscellaneous
Transfers In (out)
Total General Revenues and Transfers

Changes in Net Position
Net Position-January 1
Net Position-December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (1,155,331)	$ -	$ (1,155,331)
(496,822)	-	(496,822)
(588,161)	-	(588,161)
(125,666)	-	(125,666)
(2,365,980)	-	(2,365,980)
-	257,275	257,275
-	11,642	11,642
-	4,529	4,529
-	273,446	273,446
(2,365,980)	273,446	(2,092,534)
1,528,675	-	1,528,675
357,639	-	357,639
3,543	-	3,543
62,523	-	62,523
189,746	-	189,746
24,415	59	24,474
114,592	-	114,592
(63,890)	63,890	-
2,217,243	63,949	2,281,192
(148,737)	337,395	188,658
14,403,855	2,219,365	16,623,220
$ 14,255,118	$ 2,556,760	$ 16,811,878

The accompanying notes are an integral part of this statement.

Town of Parachute
Governmental Funds
Balance Sheet
December 31, 2017

	General Fund	Capital Improvement Fund	Reserve Fund
Assets			
Cash and Cash Equivalents	$ 334,802	$ 693,840	$3,070,600
Property Taxes Receivable	342,890	-	-
Accounts Receivable	618,539	-	-
Due from Other Funds	3,535	-	-
Total assets	$ 1,299,766	$ 693,840	$3,070,600
Liabilities			
Accounts Payable	$ 60,004	$ 4,515	$ -
Total Liabilities	60,004	4,515	-
Deferred inflows of resources			
Deferred property taxes	342,890	-	-
Total Deferred inflows of resources	342,890	-	-
Fund Balance			
Restricted			
Parks and Open Space	-	-	-
Emergency Reserves	57,300	-	65,450
Assigned			
Future Operations	-	-	3,005,150
Streets and Alleys	-	-	
Capital Projects	-	689,325	
Unassigned	839,572		
Total Fund Equity	896,872	689,325	3,070,600
Total Liabilities, deferred inflows of resources and fund equity	$ 1,299,766	$ 693,840	$3,070,600

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
$ 137,387	$ 4,236,629
-	342,890
6,146	624,685
-	3,535
$ 143,533	$ 5,207,739
$ 6,104	$ 70,623
6,104	70,623
-	342,890
-	342,890
80,670	80,670
-	122,750
-	3,005,150
56,759	56,759
	689,325
	839,572
137,429	4,794,226
$ 143,533	$ 5,207,739

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, 2017

Total fund balance, governmental funds		$ 4,794,226
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	$ 14,198,284	
Less accumulated depreciation	(4,716,277)	9,482,007
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		(55,720)
Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.		34,605
Net Position of Governmental Activities in the Statement of Net Position		$ 14,255,118

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, 2017

	General Fund	Capital Improvement Fund	Reserve Fund
REVENUES			
Taxes	$ 1,952,379	$ -	$ -
Licenses/Permits	121,620	-	
Intergovernmental	189,746	175,000	
Planning and Zoning	89,532	-	
Fines and Forfeitures	50,936	-	
Miscellaneous	135,647	-	
Interest	24,368	-	
Total revenues	2,564,228	175,000	-
EXPENDITURES			
Current:			
Judicial	49,359	-	
Executive and Legislative	491,703	-	
Fiscal	75,747	-	
Legal	26,173	-	
Election	6,114	-	
Building	58,222	-	
Planning and Zoning	220	-	
Community Development	554,891	-	
Law Enforcement	483,666	-	
Records Coordination	51,566	-	
Street and Alley	-	-	
Engineering	-	-	
Parks	168,350	-	
Contributions	20,797	-	
Capital Outlay	11,750	1,018,530	
Debt Service	-	-	
Total expenditures	1,998,558	1,018,530	-
Excess of Revenues over (under) Expenditures	565,670	(843,530)	-
Other Financing Sources (Uses)			
Transfers In		261,470	
Transfers (Out)	(405,360)		
Change in available resources	160,310	(582,060)	-
Fund Balances- January 1	736,562	1,271,385	3,070,600
Fund Balances- December 31	$ 896,872	$ 689,325	$ 3,070,600

The accompanying notes are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
$ 37,291	$ 1,989,670
69,728	191,348
-	364,746
-	89,532
-	50,936
48	135,695
-	24,368
107,067	2,846,295
-	49,359
-	491,703
-	75,747
-	26,173
-	6,114
-	58,222
-	220
-	554,891
-	483,666
-	51,566
257,331	257,331
-	-
-	168,350
-	20,797
-	1,030,280
3,965	3,965
261,296	3,278,384
(154,229)	(432,089)
80,000	341,470
-	(405,360)
(74,229)	(495,979)
211,658	5,290,205
$ 137,429	4,794,226

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, 2017

Net change in fund balances - total governmental funds		$ (495,979)
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 deprecation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Fixed assets current additions	$ 974,905	
Depreciation expense	(631,278)	
Excess of capital outlay over depreciation		343,627
Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		3,135
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		24,485
Pension expenses not in current year		(24,005)
Change in net position of governmental funds		$ (148,737)

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Net Position
Enterprise Funds
December 31, 2017

	Water	Wastewater	Garbage	Total Enterprise Funds
ASSETS				
Current Assets:				
Cash	$ 193,625	$ 121,958	$ 35,045	$ 350,628
Accounts receivable, net	37,267	25,453	7,688	70,408
Total current assets	230,892	147,411	42,733	421,036
Capital assets:				
Water Shares	282,101	-	-	282,101
Land	4,095	972	-	5,067
Property, plant and Equipment	3,548,895	931,221	-	4,480,116
Less accumulated depreciation	(1,697,002)	(738,834)	-	(2,435,836)
Total capital assets	2,138,089	193,359	-	2,331,448
Total Assets	$ 2,368,981	$ 340,770	$ 42,733	$ 2,752,484
LIABILITIES				
Current liabilities:				
Accounts payable	$ 33,591	$ 14,527	$ 4,869	$ 52,987
Accrued compensated absenses	7,174	1,602	-	8,776
Due to other funds	-	3,535	-	3,535
Current maturities of long term debt				
Notes Payable	15,596	-	-	15,596
Total current liabilities	56,361	19,664	4,869	80,894
Noncurrent Liabilities				
Notes Payable	114,830	-	-	114,830
Total noncurrent liabilities	114,830	-	-	114,830
Net Position				
Invested in capital assets, net of related debt	2,007,663	193,359	-	2,201,022
Unrestricted	190,127	127,747	37,864	355,738
Total Net Position	$ 2,197,790	$ 321,106	$ 37,864	$ 2,556,760

Town of Parachute
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2017

	Water	Wastewater	Garbage	Total
Operating Revenues				
Charges for services	$ 399,251	$ 242,436	$ 64,222	$ 705,909
Other	28,857	486	-	29,343
Total operating revenues	428,108	242,922	64,222	735,252
Operating Expenses				
Operations	196,051	178,080	59,693	433,824
Personnel	189,864	31,968	-	221,832
Depreciation	82,575	21,232	-	103,807
Total operating expenses	468,490	231,280	59,693	759,463
Operating income (loss)	(40,382)	11,642	4,529	(24,211)
Nonoperating revenues (expenses)				
Interest income	59	-	-	59
Interest expense	(2,343)	-	-	(2,343)
Total nonoperating revenues (expenses)	(2,284)	-	-	(2,284)
Income (loss) before transfers and and Capital Contributions	(42,666)	11,642	4,529	(26,495)
Contributions and Transfers				
Other grants and contributions	300,000	-	-	300,000
Transfers in (out)	41,300	22,590	-	63,890
Total Contributions and Transfers	341,300	22,590	-	363,890
Change in net position	298,634	34,232	4,529	337,395
Total net position, January 1	1,899,156	286,874	33,335	2,219,365
Total net position, December 31	$ 2,197,790	$ 321,106	$ 37,864	$ 2,556,760

Town of Parachute
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2017

	Water	Wastewater	Garbage	Total Enterprise Funds
Cash Flows From Operating Activities				
Cash received from customer and others	$ 425,919	$ 228,000	$ 63,984	$ 717,903
Cash payments for personnel	(197,170)	(178,483)	(59,693)	(435,346)
Cash payments for goods and services	(157,037)	(17,888)	196	(174,729)
Net cash provided (used) by operating activities	71,712	31,629	4,487	107,828
Cash Flows from Noncapital Financing Activities				
Transfers from (to) other funds	41,300	22,590	-	63,890
Net cash provided (used) by noncapital financing activities	41,300	22,590	-	63,890
Cash Flows from Capital and Related Financing Activities				
Receipt of capital grants	300,000	-	-	300,000
Acquisition and construction of capital assets	(483,841)	-	-	(483,841)
Long term debt payment- principal	(33,726)	(1,567)	-	(35,293)
Long term debt payment- interest	(2,343)	-	-	(2,343)
Net cash provided (used) by capital and related financing activities	(219,910)	(1,567)	-	(221,477)
Cash Flows from Investing Activities				
Interest on investments	59	-	-	59
Net Cash provided by Investing Activities	59	-	-	59
Net increase (decrease) in cash and equivalents	(106,839)	52,652	4,487	(49,700)
Cash balances, January 1	300,464	69,306	30,558	400,328
Cash balances, December 31	$ 193,625	$ 121,958	$ 35,045	$ 350,628
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (40,382)	$ 11,642	$ 4,529	$ (24,211)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	82,575	21,232	-	103,807
Assets (increase) decrease:				
Accounts receivables	(2,189)	(14,922)	(238)	(17,349)
Liabilities increase (decrease):				
Accounts payable	32,827	14,080	196	47,103
Other accrued liabilities	-	-	-	-
Accrued compensated absences	(1,119)	(403)	-	(1,522)
Total adjustments	112,094	19,987	(42)	132,039
Net cash provided (used) by operating activities	$ 71,712	$ 31,629	$ 4,487	$ 107,828

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

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

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

The Town reports the following major governmental funds:

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

- The *Reserve Fund* is a special revenue fund used to account for funds set aside by the board for future operations.

- 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.

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, 2017, 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.

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:

Asset Class	Useful Life
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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

M. Net Position

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

N. Interfund Transactions

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

O. Encumbrances

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

P. Accounts Receivable

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

Q. Fund Equity

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

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

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."

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 2017 was $122,750.

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.

Note 4 - Budgets (continued)

G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There was no revisions made to the original budgeted expenditures for the year.

H. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

I. Budget for the Enterprise Funds are adopted on a basis consistent with the Governmental Funds.

J. The Town may be in violation of the State Statues as the expenditures of the General, Capital Improvement, and Garbage Funds exceeded the appropriated budget amounts.

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, 2017, the bank balance of the Town's deposits was $ 2,435,160 of which $ 487,213 was covered by federal depository insurance and $ 1,947,947 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, 2017 the Town's investments included funds held in government Colotrust.

The Town had invested $ 2,166,274 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.

Note 5 - Deposits and Investments (continued)

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

The composition of all cash and cash investments held by the Town at December 31, 2017 is as follows:

Cash on hand	$ 400
Cash in bank	2,420,583
Colotrust	2,166,274
Total cash and investments	$ 4,587,257

Note 6 - Interfund Transactions

Interfund receivable and payable balances as of December 31, 2017 are as follows:

Receivable Fund	Payable Fund	Amount
General	Wastewater	$ 3,535

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 2017:

	Transfers	
Funds	In	Out
General Fund	$	$ 405,360
Capital Improvement Fund	261,470	
Water Fund	41,300	
Wastewater Fund	22,590	
Street and alleys Fund	80,000	
Totals	$ 405,360	$ 405,360

Note 7 - Long-Term Liabilities

Schedule of Long-Term Debt

Governmental Activities	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due within one year
Leases payable	$ 3,135	$ -	$ (3,135)	$ -	$ -
Compensated absences	80,205	-	(24,485)	55,720	55,720
Total	$ 83,340	$ -	$ (27,620)	$ 55,720	$ 55,720
Enterprise Activities					
Note payable-CWCB	$ 16,125	$ -	$ (16,125)	$ -	$ -
Note payable-Bureau of Reclamation	7,942	-	-	7,942	3,915
Note payable-Alpine Bank	138,519	-	(16,036)	122,483	15,596
Lease payable	3,134	-	(3,134)	-	-
Compensated absences	10,298	-	(1,522)	$ 8,776	8,776
Total	$ 176,018	$ -	$ (36,817)	$ 139,201	$ 28,287

Bureau of Reclamation

The town entered into contract with the Bureau of Reclamation to purchase 75 acre-feet of water from the Ruedi Reservoir. Payments are due in annual installments through 2019 with interest of 3.00%

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
2018	$ 3,915	$ 242	$ 4,157
2019	4,027	130	4,157
Total	$ 7,942	$ 372	$ 8,314

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 due April 1 $17,922 through 2024 with a final payment of $16,591 in 2025 with interest of 1.9%.

Note 7 - Long-Term Liabilities (continued)

Alpine Bank (continued)

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
2018	$ 15,596	$ 2,326	$ 17,922
2019	15,891	2,031	17,922
2020	16,193	1,729	17,922
2021	16,501	1,421	17,922
2022	16,814	1,108	17,922
2023 to 2025	41,488	1,382	42,870
Total	$ 122,483	$ 9,997	$ 132,480

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 has a defined contribution plan for its employees which is administered by Colorado County Officials and Employees Retirement Association (CCOERA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate year from the date of employment. Both the employees and the Town make a basic contribution of 5% of the employee's salary. Employees may make additional voluntary contributions not to exceed 10% of compensations. Participants vest in employer contributions and in earnings, losses and changes in fair market value of Plan assets at a rate of 20% per year. Any nonvested Town contributions forfeited by an employee who leaves the Town's employment are remitted to the Town.

Note 9 - Retirement Plans (continued)

Defined Contribution Plan (continued)

The Town's total payroll in 2017 was $ 953,230. The total payroll covered by the plan was $735,725. A contribution of $ 58,858 was made to the plan in 2017. This contribution consisted of the Town's contribution of $ 29,429 and the employee's contributions of $ 29,429.

Defined Benefit Plan- SWDB

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

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, 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.

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. 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.

Note 9 - Retirement Plans (continued)

Members of the SWDB plan and their employers are contributing at the rate of 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent in 2016. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approve by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary through 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.5 percent through 2016. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2016, the Entity reported a net pension liability of $ 15,402. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2016, the Town's proportion was 0.042626%, which was a decrease of 0.002008% from its proportion of 0.044634% measured as of December 31, 2015.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2016, the Town recognized pension expense of $24,005 related to the SWDB.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

At December 31, 2016, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 13,752	$ 783
Changes in Assumptions	10,521	-
Net difference between projected and actual earnings on pension plan investments	41,574	-
Deferred outflows from proportion change	2,035	-
Contributions subsequent to the measurement date	-	17,452
Total	$ 67,882	$ 18,235

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:	
2017	$15,870
2018	$15,870
2019	$14,922
2020	$ 3,768
2021	$ -
Thereafter	$ -

The January 1, 2017 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2016. The valuation used the following actuarial assumption and other inputs:

Methods and Assumptions Used to Determine Contribution Rates:

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

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

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15..0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.0%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

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).

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%;the municipal bond rate is 3.78% (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 7.50%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

1% Decrease 6.50%	Single Discount Rate Assumption 7.50%	1% Increase 8.50%
$131,049	$15,402	$(80,648)

Note 10 - Capital Assets

Governmental Activities	Balance January 1, 2017	Additions	Dispositions	Balance December 31, 2017
Capital assets not being depreciated				
Land	$ 2,739,421	$ 351,749	$ -	$ 3,091,170
	2,739,421	351,749	-	3,091,170
Capital assets being depreciated				
Buildings	3,282,846	-	-	3,282,846
Improvements/infrastructure	5,946,147	508,927	-	6,455,074
Furniture and equipment	151,393	11,750		163,143
Machinery and equipment	485,865	92,679		578,544
Vehicles	617,707	9,800	-	627,507
	10,483,958	623,156	-	11,107,114
Less accumulated depreciation				
Buildings	(958,649)	(88,829)	-	(1,047,478)
Improvements/infrastructure	(2,214,053)	(434,024)	-	(2,648,077)
Furniture and equipment	(119,782)	(12,848)		(132,630)
Machinery and equipment	(311,005)	(36,898)		(347,903)
Vehicles	(481,510)	(58,679)	-	(540,189)
	(4,084,999)	(631,278)	-	(4,716,277)
Capital asset being depreciated, net	6,398,959	(8,122)	-	6,390,837
Total Capital Assets	$ 9,138,380	$ 343,627	$ -	$ 9,482,007

Note 10 - Capital Assets (continued)

Business - Type Actitivities	Balance January 1, 2017	Additions	Dispositions	Balance December 31, 2017
Capital assets not being depreciated				
Land and water rights	$ 287,168	$ -	$ -	$ 287,168
Capital assets being depreciated				
Water utility system	2,211,207	483,841	-	2,695,048
Wastewater utility system	836,858	-	-	836,858
Water and storage tanks	649,105	-	-	649,105
Machinery and equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Less accumulated depreciation	(2,332,029)	(103,807)	-	(2,435,836)
Capital assets being depreciated, net	1,664,246	380,034	-	2,044,280
Total Business-Type Activities Capital Assets	$ 1,951,414	$ 380,034	$ -	$ 2,331,448

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

General government	$ 86,269
Public safety	50,947
Highway and streets	431,553
Culture and recreation	62,509
Total	$ 631,278

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	$ 82,575
Wastewater Fund	21,232
Total	$ 103,807

Town of Parachute
Schedule of Change in Net Pension Liability
For the Year Ended December 31, 2017

Measurement Date:		December 31, 2016
Employer portion of NPA-December 31, 2015		0.00044634 %
Employer portion of NPA-December 31, 2016		0.000426255 %
Employer proportionate share of NPL	$	15,402
Employer covered payroll	$	251,648
Employer proportionate share of NPL as a percentage of covered payroll		6%

Town of Parachute
Schedule of Contributions to Pension Plan
For the Year Ended December 31, 2017

Required Employer Contributions	December 31, 2013	$	20,488
Required Employer Contributions	December 31, 2014	$	20,116
Required Employer Contributions	December 31, 2015	$	17,310
Employer contributions recognized by plan	December 31, 2016	$	17,452
Employer covered payroll		$	251,648
Contributions as a percentage of employer covered payroll			7%

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance
Revenues	**Original**	**Final**	**Actual**	**Favorable (Unfavorable)**
Property Tax	$ 357,710	$ 357,710	**$ 357,639**	(71)
Sales Tax	1,298,340	1,298,340	**1,526,283**	227,943
Use Tax	50,000	50,000	**2,391**	(47,609)
Lodging Tax	122,740	122,740	**56,922**	(65,818)
Other Tax	7,030	7,030	**9,144**	2,114
Fines and Forfeitures	47,170	47,170	**50,936**	3,766
Planning and Zoning	150,970	150,970	**89,532**	(61,438)
Licenses and Permits	93,530	93,530	**121,620**	28,090
State Mineral Severance	9,800	9,800	**35,313**	25,513
Sate Mineral Lease	24,060	24,060	**111,508**	87,448
State Grants	15,000	15,000	**42,925**	27,925
Miscellaneous	51,460	51,460	**135,647**	84,187
Interest	13,370	13,370	**24,368**	10,998
Total revenues	2,241,180	2,241,180	**2,564,228**	323,048
Expenditures				
Judicial	64,840	64,840	**49,359**	15,481
Executive and Legislative	430,435	430,435	**491,703**	(61,268)
Fiscal	57,000	57,000	**75,747**	(18,747)
Legal	-	-	**26,173**	(26,173)
Election	-	-	**6,114**	(6,114)
Building	43,070	43,070	**58,222**	(15,152)
Planning and Zoning	-	-	**220**	(220)
Community Development	579,910	579,910	**554,891**	25,019
Law Enforcement	463,710	463,710	**483,666**	(19,956)
Records Coordination	51,280	51,280	**51,566**	(286)
Engineering	70,000	70,000	**-**	70,000
Parks	110,520	110,520	**168,350**	(57,830)
Contributions	20,675	20,675	**20,797**	(122)
Capital Outlay	42,500	18,500	**11,750**	6,750
Total Expenditures	1,933,940	1,909,940	**1,998,558**	(88,618)
Excess of Revenues over (under) Expenditures	307,240	331,240	**565,670**	234,430
Other Financing Sources (Uses)				
Transfers (Out)	(480,360)	(480,360)	**(405,360)**	(75,000)
Change in available resources	(173,120)	(149,120)	**160,310**	309,430
Fund Balance, January 1	576,200	576,200	**736,562**	160,362
Fund Balance, December 31	$ 403,080	$ 427,080	**$ 896,872**	$ 469,792

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Reserve Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Revenues	$ -	$ -	**$ -**	$ -
Total revenues	-	-	**-**	-
Expenditures				
Expenditures	-	-	**-**	-
Total expenditures	-	-	**-**	-
Excess of revenues over (under) expenditures	-	-	**-**	-
Fund balance, January 1	3,066,305	3,066,305	**3,070,600**	4,295
Fund balance, December 31	$ 3,066,305	$ 3,066,305	**$ 3,070,600**	$ 4,295

Town of Parachute
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Conservation Trust Fund		Streets and Alleys Fund		Nonmajor Governmental Funds	
Assets						
Cash and cash equivalents	$	80,670	$	56,717	$	137,387
Accounts receivable		-		6,146		6,146
Total assets	$	80,670	$	62,863	$	143,533
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable			$	6,104	$	6,104
Total liabilities		-		6,104		6,104
Fund balances:						
Unreserved:		80,670		56,759		137,429
Total fund balances		80,670		56,759		137,429
Total liabilities and fund balances	$	80,670	$	62,863	$	143,533

Town of Parachute
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Conservation Trust Fund	Streets and Alleys Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	$ -	$ 37,291	$ 37,291
Intergovernmental	5,465	64,263	69,728
Interest Income	20	28	48
Total revenues	5,485	101,582	107,067
EXPENDITURES			
Street and Alleys	-	257,331	257,331
Capital Outlay	-	-	-
Debt Service	-	3,965	3,965
Total expenditures	-	261,296	261,296
Excess revenues over (under) expenditures	5,485	(159,714)	(154,229)
Other Financing Sources (Uses)			
Transfers in (out)	-	80,000	80,000
Other Financing Sources (Uses)	-	80,000	80,000
Net change in fund balance	5,485	(79,714)	(74,229)
Fund balance, January 1	75,185	136,473	211,658
Fund balance, December 31	$ 80,670	$ 56,759	$ 137,429

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Grants	$ -	$ -	**$ 175,000**	$ 175,000
Total revenues	-	-	**175,000**	175,000
Expenditures				
Capital Outlay	883,025	883,025	**1,018,530**	(135,505)
Total expenditures	883,025	883,025	**1,018,530**	(135,505)
Excess of Revenues over (under) Expenditures	(883,025)	(883,025)	**(843,530)**	39,495
Other Financing Sources (Uses)				
Transfers in	336,470	336,470	**261,470**	75,000
Transfers (Out)	(152,305)	(152,305)	-	(152,305)
Change in available resources	(698,860)	(698,860)	**(582,060)**	116,800
Fund Balance, January 1	770,513	770,513	**1,271,385**	500,872
Fund Balance, December 31	$ 71,653	$ 71,653	**$ 689,325**	$ 617,672

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Conservation Trust	$ 4,640	$ 4,640	$ **5,465**	$ 825
Interest	120	120	**20**	(100)
Total revenues	4,760	4,760	**5,485**	725
Expenditures				
Capital Projects	20,000	20,000	-	
Contingency	8,494	8,494	-	8,494
Total expenditures	28,494	28,494	-	8,494
Excess of Revenues over (under) Expenditures	(23,734)	(23,734)	**5,485**	(7,769)
Other Financing Sources (Uses)				
Transfers (Out)	(50,000)	(50,000)	-	(50,000)
Change in available resources	(73,734)	(73,734)	**5,485**	79,219
Fund Balance, January 1	73,734	73,734	**75,185**	1,451
Fund Balance, December 31	$ -	$ -	$ **80,670**	$ 80,670

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, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Taxes	$ 28,020	$ 28,020	**$ 37,291**	$ 9,271
Intergovernmental	60,820	60,820	**64,263**	3,443
Miscellaneous	-	-	**28**	28
Total revenues	88,840	88,840	**101,582**	12,742
Expenditures				
Street and Alleys	258,570	258,570	**257,331**	1,239
Debt Service	4,440	4,440	**3,965**	475
Total expenditures	263,010	263,010	**261,296**	1,714
Excess of Revenues over (under) Expenditures	(174,170)	(174,170)	**(159,714)**	14,456
Other Financing Sources (Uses)				
Transfers In	80,000	80,000	**80,000**	-
Change in available resources	(94,170)	(94,170)	**(79,714)**	14,456
Fund Balance, January 1	151,526	151,526	**136,473**	(15,053)
Fund Balance, December 31	$ 57,356	$ 57,356	**$ 56,759**	$ (597)

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 414,660	$ 414,660	$ **399,251**	$ (15,409)
Interest Income	30	30	**59**	29
Grants	652,116	652,116	**300,000**	(352,116)
Miscellaneous	5,775	5,775	**28,857**	23,082
Total revenues	1,072,581	1,072,581	**728,167**	(344,414)
Expenditures				
Personnel	207,810	207,810	**189,864**	17,946
Office	700	700	**2,568**	(1,868)
Operations Supplies	27,000	27,000	**45,217**	(18,217)
Water	15,000	15,000	**-**	15,000
Repairs and Maintenance	5,000	5,000	**31,722**	(26,722)
Purchased Services	30,000	30,000	**30,274**	(274)
Insurance	10,000	10,000	**8,850**	1,150
Utilities	36,000	36,000	**37,063**	(1,063)
Professional Services	5,500	5,500	**21,005**	(15,505)
Other Expenses	8,920	8,920	**9,239**	(319)
Debt Service	34,750	34,750	**36,070**	(1,320)
Capital Outlay	937,025	937,025	**493,953**	443,072
Total expenditures	1,317,705	1,317,705	**905,825**	411,880
Excess of Revenues over (under) Expenditures	(245,124)	(245,124)	**(177,658)**	67,466
Other Financing Sources (Uses)				
Transfers in (out)	41,300	41,300	**41,300**	-
Change in available resources	(203,824)	(203,824)	**(136,358)**	67,466
Available resources, January 1	353,398	353,398	**326,485**	(26,913)
Available resources, December 31	$ 149,574	$ 149,574	$ **190,127**	$ 40,553

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 253,000	$ 253,000	**$ 242,436**	$ (10,564)
Interest Income	40	40	**-**	(40)
Grant Revenue	140,150	140,150	**-**	(140,150)
Miscellaneous	4,005	4,005	**486**	(3,519)
Total revenues	397,195	397,195	**242,922**	(154,273)
Expenditures				
Personnel	35,640	35,640	**31,968**	3,672
Office	350	350	**1,384**	(1,034)
Operations Supplies	13,410	13,410	**6,493**	6,917
Treatment	123,000	123,000	**125,505**	(2,505)
Repairs and Maintenance	22,070	22,070	**9,098**	12,972
Purchased Services	-	-	**3,845**	(3,845)
Insurance	3,000	3,000	**2,938**	62
Utilities	13,700	13,700	**10,722**	2,978
Professional Services	530	530	**15,860**	(15,330)
Other Expenses	54,735	54,735	**2,235**	52,500
Debt Service	5,385	5,385	**1,567**	3,818
Capital Outlay	185,185	185,185	**-**	185,185
Total expenditures	457,005	457,005	**211,615**	245,390
Excess of revenues over (under) expenditures	(59,810)	(59,810)	**31,307**	91,117
Other Financing Sources (Uses)				
Transfers in	22,590	22,590	**22,590**	-
Change in available resources	(37,220)	(37,220)	**53,897**	91,117
Available Resources, January 1	84,894	84,894	**73,850**	(11,044)
Available Resources, December 31	$ 47,674	$ 47,674	**$ 127,747**	$ 80,073

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Garbage Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 60,000	$ 60,000	**$ 64,222**	$ 4,222
Total revenues	60,000	60,000	**64,222**	4,222
Expenditures				
Contract Hauler	56,000	56,000	**59,693**	(3,693)
Total expenditures	56,000	56,000	**59,693**	(3,693)
Excess of Revenues over (under) Expenditures	4,000	4,000	**4,529**	529
Available resources, January 1	34,125	34,125	**33,335**	(790)
Available resources, December 31	$ 38,125	$ 38,125	**$ 37,864**	$ (261)

Financial Planning 02/01

The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Parachute
		YEAR ENDING : Dec-17
This Information From The Records Of:	Town of Parachute	Prepared By: Teresa Beecraft, Finance Director Phone: 970.285.7630

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		**A. Local highway disbursements:**	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	52,345
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	35,619
2. General fund appropriations	80,000	b. Snow and ice removal	10,398
3. Other local imposts (from page 2)	55,065	c. Other	16,244
4. Miscellaneous local receipts (from page 2)	48,374	d. Total (a. through c.)	62,262
5. Transfers from toll facilities	0	4. General administration & miscellaneous	142,723
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)	257,329
b. Bonds - Refunding Issues	0	**B. Debt service on local obligations:**	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	183,440	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	44,264	a. Interest	2,163
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	0	c. Total (a. + b.)	2163
E. Total receipts (A.7 + B + C + D)	227,703	3. Total (1.c + 2.c)	2163
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	259,492

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
112,364	227,704	259,492	80,576	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): Dec-17

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	0	a. Interest on investments	28
b. Other local imposts:		b. Traffic Fines & Penalities	48,347
1. Sales Taxes	7,463	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	47,602	g. Other Misc. Receipts	0
6. Total (1. through 5.)	55,065	h. Other	0
c. Total (a. + b.)	55,065	i. Total (a. through h.)	48,374
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	44,264	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	0	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.)	0	g. Total (a. through g.)	0
4. Total (1. + 2. + 3.f)	44,264	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE