Town of Parachute
Financial Statements and
Independent Auditor's Report
as of
December 31, 2018

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Parachute, Colorado (the Town) as of and for the year ended December 31, 2018, 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, 2018, 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

105 S.E. Frontier, Suite A • Cedaredge, Colorado 81413
Phone 970/856-7550 • Fax 970/856-2122
peteblaircpa@yahoo.com
www.BandACPAS.com

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 through 11, 39, 40 and 41 through 42, respectively, 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's basic financial statements. The combining and individual fund financial statements 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 and individual fund financial statements and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and 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 5, 2019

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, 2018. 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 $16,890,352 (net position) as of December 31, 2018.

- Total net position is comprised of the following:

  Net investment in capital assets in the amount of $12,194,592 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

  Net position $149,290 is restricted for emergency reserves.

  Net position of $4,546,470, 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 $4,264,439 this year. This compares to the prior year ending fund balance of $4,794,226, a decrease of $529,787.

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 $16,890,352. The following tables provide a summary of the Town's net position for 2018.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current Assets	4,896,025	5,207,739	480,757	417,501	5,376,782	5,625,240
Capital Assets	9,772,176	9,482,007	2,703,431	2,331,448	12,475,607	11,813,455
Total Assets	14,668,201	14,689,746	3,184,188	2,748,949	17,852,389	17,438,695
Deferred Outflows of Resources	47,654	67,882			47,654	67,882
Liabilities:						
Current Liabilities	147,474	126,343	52,828	61,763	200,302	188,106
Noncurrent Liabilities	-	15,042	260,481	130,426	260,481	145,468
Total Liabilities	147,474	141,385	313,309	192,189	460,783	333,574
Deferred Inflows of Resources	361,125	361,125	-	-	361,125	361,125
Net Position:						
Net Investment in Capital Assets	9,772,176	9,482,007	2,422,416	2,201,022	12,194,592	11,683,029
Restricted	149,290	122,750			149,290	122,750
Unrestricted	4,101,570	4,650,361	444,900	355,738	4,546,470	5,006,099
Total Net Position	14,023,036	14,255,118	2,867,316	2,556,760	16,890,352	16,811,878

Note that approximately 72% of the Town's total net position is tied up in capital.

In 2018, revenues in the various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2018.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for Services	305,481	283,144	792,847	735,252	1,098,328	1,018,396
Operating Grants	113,752	87,019	-	-	113,752	87,019
Capital grants	319,999	194,999	105,674	300,000	425,673	494,999
General Revenues						
Property Taxes	333,550	357,639	-	-	333,550	357,639
Intergovernmental	155,872	189,746	-	-	155,872	189,746
Sales taxes and other	1,741,624	1,591,198	-	-	1,741,624	1,591,198
Franchise taxes	4,090	3,543	-	-	4,090	3,543
Miscellaneous	45,756	114,592	11,900	-	57,656	114,592
Interest income	45,720	24,415	44	59	45,764	24,474
Transfers in (out)	(241,330)	(63,890)	241,330	63,890		-
Total Revenues	2,824,514	2,782,405	1,151,795	1,099,201	3,976,309	3,881,606
Expenses						
General Government	1,306,414	1,451,951	-	-	1,306,414	1,451,951
Public Safety	601,912	558,618	-	-	601,912	558,618
Highways & Streets	710,043	689,714	-	-	710,043	689,714
Culture & Recreation	434,692	230,859	106,603	-	541,295	230,859
Water	-	-	443,619	470,833	443,619	470,833
Wastewater	-	-	236,603	231,280	236,603	231,280
Garbage	-	-	61,863	59,693	61,863	59,693
Total Expenses	3,053,061	2,931,142	848,688	761,806	3,901,749	3,692,948
Increase (Decrease)						
In Net Position	(228,547)	(148,737)	303,107	337,395	74,560	188,658
Residual Transfer	(3,535)		3,535		-	
Net Position - Beginning	14,255,118	14,403,855	2,560,674	2,219,365	16,815,792	16,623,220
Net Position - Ending	14,023,036	14,255,118	2,867,316	2,556,760	16,890,352	16,811,878

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2018, taxes equaled $2,079,264 or 74% of total revenues of $2,824,514 for the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs increased $121,919 or 4% when compared to 2017. Public Safety comprises 20% of the Town's total governmental expenses, General Government at 43%, Highways and Street at 23%, Culture and Recreation at 14%.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

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

As of December 31, 2018, the total fund balances of the Town's governmental funds were $4,264,439. Approximately 7 percent of this consists of unassigned fund balance, which is available as for current spending in accordance with the purposes of the Town. The remainder of fund balance is not available for new spending because it is for the following purposes: (1) a state-Constitution mandated emergency reserve ($149,290), (2) capital reserves ($1,642,815), (3) reserve for future operations ($2,072,030) and (4) Parks and Open Space ($86,333). The Town had Governmental revenues and other financing sources of $2,824,514 and expenditures of $3,053,061.

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, 2018, the total net position of the Town's proprietary funds was $2,867,316. Approximately 16% or $444,900 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 ($2,422,416). The Town had Proprietary operating revenues, non-operating revenues, and contributions of $1,151,795 and operating expenses and non-operating expenses of $848,688.

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

	Original Appropriation	Amendments	Revised Appropriation	Actual Expenditures
General Fund	3,537,915	2,200	3,540,115	3,214,579
Streets and Alleys Fund	323,530	-	323,530	282,513
Conservation Trust Fund	87,585	-	87,585	-
Grant fund	275,360	-	275,360	157,484
Reserve Fund	-	1,000,000	1,000,000	1,000,000
Parachute Capital Improvement Fund	994,130	1,000,000	1,994,130	811,510
Water fund	564,115	355,753	919,868	678,727
Waste Water fund	345,490	55,000	400,490	393,954
Garbage Fund	56,000	6,000	62,000	61,863
Parks and Recreation Fund	250,000	-	250,000	106,603
	$ 6,434,125.00	$ 2,418,953.00	$ 8,853,078.00	$ 6,707,233.00

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2018, was $9,772,176 for governmental activities and $2,703,431 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004. The following table provides a summary of capital asset activity.

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 3,091,170	$ -	$ -	$ 3,091,170
Total Capital Assets Not Being Depreciated	3,091,170	-	-	3,091,170
Depreciable Capital Assets:				
Buildings	3,282,846	-	-	3,282,846
Improvements/Infrastructure	6,455,074	803,814	-	7,258,888
Furniture & Equipment	163,143	95,537	-	258,680
Machinery & Equipment	578,544	13,100	-	591,644
Vehicles	627,507	56,126		683,633
Total Depreciable Capital Assets	11,107,114	968,577	-	12,075,691
Accumulated Depreciation:				
Buildings	(1,047,478)	(88,765)	-	(1,136,243)
Improvements/Infrastructure	(2,648,077)	(494,536)	-	(3,142,613)
Furniture & Equipment	(132,630)	(17,666)	-	(150,296)
Machinery & Equipment	(347,903)	(38,017)	-	(385,920)
Vehicles	(540,189)	(39,424)	-	(579,613)
Total Accumulated Depreciation	(4,716,277)	(678,408)	-	(5,394,685)
Net Depreciable Capital Assets	6,390,837	290,169	-	6,681,006
Total Net Governmental Activities	$ 9,482,007	$ 290,169	$ -	$ 9,772,176

	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	2,695,048	309,897	-	3,004,945
Wastewater Utility System	836,858	182,274	-	1,019,132
Water Storage Tanks	649,105	-	-	649,105
Machinery & Equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Total Depreciable Capital Assets	4,480,116	492,171	-	4,972,287
Accumulated Depreciation:				
Water Utility System	(1,382,119)	(75,492)	-	(1,457,611)
Wastewater System	(652,054)	(21,406)	-	(673,460)
Water Storage Tanks	(157,485)	(13,878)	-	(171,363)
Machinery & Equipment	(223,622)	(9,180)	-	(232,802)
Vehicles	(20,556)	(233)	-	(20,789)
Total Accumulated Depreciation	(2,435,836)	(120,189)	-	(2,556,025)
Net Depreciable Capital Assets	2,044,280	371,983	-	2,416,263
Total Business-Type Activities	$2,331,448	$371,983	$ -	$2,703,431

At December 31, 2018, the depreciable capital assets for governmental activities were 45% depreciated. As for the Town's business-type activities, 51% of the asset values were depreciated at December 31, 2018.

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

Long-term Debt

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

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

Economic Conditions Affecting the Town

Comprehensive Plan Summary

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

Strengths

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

Weaknesses

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

Opportunities

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

Threats

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

Development Strategy

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

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

Economic Diversification

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

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

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

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

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

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

Public/Private Partnerships for Investment

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

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

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

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

Urban Renewal and Revitalization

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

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

Downtown Activation and Beautification

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

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

Sustainable Development

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

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

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

Contacting the Town's Financial Management

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

Town of Parachute
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 4,028,629	$ 407,232	$ 4,435,861
Property Taxes Receivable	499,459	-	499,459
Accounts Receivable	313,333	73,525	386,858
Net pension asset	54,604	-	54,604
Capital assets			
Nondepreciable	3,091,170	287,168	3,378,338
Depreciable, net of accumulated depreciation	6,681,006	2,416,263	9,097,269
Total assets	14,668,201	3,184,188	17,852,389
DEFERRED OUTFLOWS			
Deferred outflows of resources related to pensions	47,654	-	47,654
Total Deferred outflows	47,654	-	47,654
LIABILITIES			
Accounts Payable	56,510	20,003	76,513
Accrued payroll	21,013		
Accrued compensated absences	69,951	12,291	82,242
Noncurrent liabilities:			
Due within one year	-	20,534	20,534
Due more than one year:	-	260,481	260,481
Total liabilities	147,474	313,309	439,770
Deferred inflows of resources			
Deferred property taxes	499,459	-	499,459
Deferred inflows of resources related to pensions	45,886	-	45,886
Total Deferred inflows of resources	545,345	-	545,345
NET POSITION			
Invested in capital assets	9,772,176	2,422,416	12,194,592
Restricted for:			
Tabor	149,290	-	149,290
Unrestricted	4,101,570	444,900	4,546,470
Total net position	$ 14,023,036	$ 2,867,316	$ 16,890,352

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Activities
For the Year Ended December 31, 2018

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 1,306,414	$ 85,488	$ -	$ 300,000
Public Safety	601,912	72,734	-	-
Highway and Streets	710,043	-	108,102	19,999
Culture and Recreation	434,692	147,259	5,650	-
Total governmental activities	3,053,061	305,481	113,752	319,999
Business-type activities:				
Water	443,619	412,820	11,900	105,674
Wastewater	236,603	298,802	-	-
Garbage	61,863	65,245	-	-
Parks and Recreation	106,603	15,980	-	-
Total business- type activities	848,688	792,847	11,900	105,674
Total primary government	$ 3,901,749	$ 1,098,328	$ 125,652	$ 425,673

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
Residual transfer
Net Position-December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (920,926)	$ -	$ (920,926)
(529,178)	-	(529,178)
(581,942)	-	(581,942)
(281,783)	-	(281,783)
(2,313,829)	-	(2,313,829)
-	86,775	86,775
-	62,199	62,199
-	3,382	3,382
-	(90,623)	(90,623)
-	61,733	61,733
(2,313,829)	61,733	(2,252,096)
1,629,503	-	1,629,503
333,550	-	333,550
4,090	-	4,090
112,121	-	112,121
155,872	-	155,872
45,720	44	45,764
45,756	-	45,756
(241,330)	241,330	-
2,085,282	241,374	2,326,656
(228,547)	303,107	74,560
14,255,118	2,560,674	16,815,792
(3,535)	3,535	-
$ 14,023,036	$ 2,867,316	$ 16,890,352

The accompanying notes are an integral part of this statement.

Town of Parachute
Governmental Funds
Balance Sheet
December 31, 2018

	General Fund	Capital Improvement Fund	Reserve Fund
Assets			
Cash and Cash Equivalents	$ 63,296	$ 1,647,021	$2,072,030
Property Taxes Receivable	499,459	-	-
Accounts Receivable	313,333	-	-
Due from Other Funds	-	-	-
Total assets	$ 876,088	$ 1,647,021	$2,072,030
Liabilities			
Accounts Payable	$ 46,190	$ 4,206	$ -
Accrued Payroll	19,629	-	-
Total Liabilities	65,819	4,206	-
Deferred inflows of resources			
Deferred property taxes	499,459	-	-
Total Deferred inflows of resources	499,459	-	-
Fund Balance			
Restricted			
Parks and Open Space	-	-	-
Emergency Reserves	77,260	-	72,030
Assigned			
Future Operations	-	-	2,000,000
Streets and Alleys	-	-	-
Capital Projects	-	1,642,815	-
Unassigned	233,550	-	-
Total Fund Equity	310,810	1,642,815	2,072,030
Total Liabilities, deferred inflows of resources and fund equity	$ 876,088	$ 1,647,021	$2,072,030

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
$ 246,282	$ 4,028,629
-	499,459
-	313,333
-	-
$ 246,282	$ 4,841,421
$ 6,114	$ 56,510
1,384	21,013
7,498	77,523
-	499,459
-	499,459
86,333	86,333
-	149,290
-	2,000,000
152,375	152,375
76	1,642,891
-	233,550
238,784	4,264,439
$ 246,282	$ 4,841,421

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, 2018

Total fund balance, governmental funds		$ 4,264,439
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	$ 15,166,861	
Less accumulated depreciation	(5,394,685)	9,772,176
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		(69,951)
Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.		56,372
Net Position of Governmental Activities in the Statement of Net Position		$ 14,023,036

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, 2018

	General Fund	Capital Improvement Fund	Reserve Fund
REVENUES			
Taxes	$ 2,079,249	$ -	$ -
Licenses/Permits	72,985	-	
Intergovernmental	155,872	250,000	
Fines and Forfeitures	80,455	-	
Miscellaneous	197,812	-	
Interest	45,678	-	
Total revenues	2,632,052	250,000	-
EXPENDITURES			
Current:			
Judicial	73,149	-	
Executive and Legislative	461,368	-	
Fiscal	46,547	-	
Legal	35,545	-	
Building	65,985	-	
Community Development	551,501	-	
Law Enforcement	604,933	-	
Records Coordination	50,552	-	
Street and Alley	13,821	-	
Parks	166,308	-	
Contributions	29,550	-	
Capital Outlay	-	811,510	
Total expenditures	2,099,259	811,510	-
Excess of Revenues over (under) Expenditures	532,793	(561,510)	-
Other Financing Sources (Uses)			
Transfers In		1,515,000	1,430
Transfers (Out)	(1,115,320)		(1,000,000)
Change in available resources	(582,527)	953,490	(998,570)
Fund Balances- January 1	896,872	689,325	3,070,600
Residual transfer	(3,535)	-	-
Fund Balances- December 31	$ 310,810	$ 1,642,815	$ 2,072,030

The accompanying notes are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
$ 45,999	$ 2,125,248
133,214	206,199
-	405,872
-	80,455
4,579	202,391
-	45,678
183,792	3,065,844
-	73,149
-	461,368
-	46,547
-	35,545
-	65,985
-	551,501
-	604,933
-	50,552
282,513	296,334
157,484	323,792
-	29,550
-	811,510
439,997	3,350,766
(256,205)	(284,922)
357,560	1,873,990
-	(2,115,320)
101,355	(526,252)
137,429	4,794,226
-	(3,535)
$ 238,784	4,264,439

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, 2018

Net change in fund balances - total governmental funds		$ (526,252)
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	$ 968,577	
Depreciation expense	(678,408)	
Excess of capital outlay over depreciation		290,169
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.		-
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		(14,231)
Pension expenses not in current year		21,767
Change in net position of governmental funds		$ (228,547)

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Net Position
Enterprise Funds
December 31, 2018

	Water	Wastewater	Garbage
ASSETS			
Current Assets:			
Cash	$ 194,862	$ 43,620	$ 38,468
Accounts receivable, net	39,030	26,285	8,210
Total current assets	233,892	69,905	46,678
Capital assets:			
Water Shares	282,101	-	-
Land	4,095	972	-
Property, plant and Equipment	3,858,792	1,113,495	-
Less accumulated depreciation	(1,792,287)	(763,737)	-
Total capital assets	2,352,701	350,730	-
Total Assets	$ 2,586,593	$ 420,635	$ 46,678
LIABILITIES			
Current liabilities:			
Accounts payable	$ 4,377	$ 9,678	$ 5,433
Accrued payroll	2,617	556	-
Accrued compensated absences	10,060	2,231	-
Current maturities of long term debt			
Notes Payable	20,534	-	-
Total current liabilities	37,588	12,465	5,433
Noncurrent Liabilities			
Notes Payable	260,481	-	-
Total noncurrent liabilities	260,481	-	-
Net Position			
Invested in capital assets, net of related debt	2,071,686	350,730	-
Unrestricted	216,838	57,440	41,245
Total Net Position	$ 2,288,524	$ 408,170	$ 41,245

Parks and Recreation	Total Enterprise Funds
$ 130,282	$ 407,232
-	73,525
130,282	480,757
-	282,101
-	5,067
-	4,972,287
-	(2,556,024)
-	2,703,431
$ 130,282	$ 3,184,188
$ 515	$ 20,003
390	3,563
-	12,291
	20,534
905	56,391
	260,481
-	260,481
-	2,422,416
129,377	444,900
$ 129,377	$ 2,867,316

Town of Parachute
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2018

	Water	Wastewater	Garbage
Operating Revenues			
Charges for services	$ 411,741	$ 257,643	$ 65,245
Other	1,079	41,159	-
Total operating revenues	412,820	298,802	65,245
Operating Expenses			
Operations	144,255	173,737	61,863
Personnel	195,792	37,963	-
Depreciation	95,285	24,903	-
Total operating expenses	435,332	236,603	61,863
Operating income (loss)	(22,512)	62,199	3,382
Nonoperating revenues (expenses)			
Interest income	44	-	-
Interest expense	(8,287)	-	-
Total nonoperating revenues (expenses)	(8,243)	-	-
Income (loss) before transfers and and Capital Contributions	(30,755)	62,199	3,382
Contributions and Transfers			
Other grants and contributions	105,674	-	-
Tap fees	11,900	-	-
Transfers in (out)	-	21,330	-
Total Contributions and Transfers	117,574	21,330	-
Change in net position	86,819	83,529	3,382
Total net position, January 1	2,201,705	321,106	37,863
Residual Transfer	-	3,535	-
Total net position, December 31	$ 2,288,524	$ 408,170	$ 41,245

Parks and Recreation	Total
$ 15,980	$ 750,609
-	42,238
15,980	792,847
40,675	420,530
65,928	299,683
	120,188
106,603	840,401
(90,623)	(47,554)
-	44
-	(8,287)
-	(8,243)
(90,623)	(55,797)
-	105,674
-	11,900
220,000	241,330
220,000	358,904
129,377	303,107
-	2,560,674
-	3,535
$ 129,377	$ 2,867,316

Town of Parachute
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2018

	Water	Wastewater	Garbage
Cash Flows From Operating Activities			
Cash received from customer and others	$ 411,056	$ 297,970	$ 64,723
Cash payments for personnel	(138,752)	(172,552)	(61,863)
Cash payments for goods and services	(225,006)	(42,812)	563
Net cash provided (used) by operating activities	47,298	82,606	3,423
Cash Flows from Noncapital Financing Activities			
Tap fees	11,900	-	-
Transfers from (to) other funds	-	21,330	-
Net cash provided (used) by noncapital financing activities	11,900	21,330	-
Cash Flows from Capital and Related Financing Activities			
Loan proceeds	175,000	-	-
Receipt of capital grants	105,674	-	-
Acquisition and construction of capital assets	(309,897)	(182,274)	-
Long term debt payment- principal	(20,495)	-	-
Long term debt payment- interest	(8,287)	-	-
Net cash provided (used) by capital and related financing activities	(58,005)	(182,274)	-
Cash Flows from Investing Activities			
Interest on investments	44	-	-
Net Cash provided by Investing Activities	44	-	-
Net increase (decrease) in cash and equivalents	1,237	(78,338)	3,423
Cash balances, January 1	193,625	121,958	35,045
Cash balances, December 31	$ 194,862	$ 43,620	$ 38,468
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (22,512)	$ 62,199	$ 3,382
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	95,285	24,903	-
Assets (increase) decrease:			
Accounts receivables	(1,764)	(832)	(522)
Liabilities increase (decrease):			
Accounts payable	(29,214)	(4,849)	563
Accrued payroll	2,617	556	-
Accrued compensated absences	2,886	629	-
Total adjustments	69,810	20,407	41
Net cash provided (used) by operating activities	$ 47,298	$ 82,606	$ 3,423

Parks and Recreation	Total Enterprise Funds
$ 15,980	$ 789,729
(40,285)	(413,452)
(65,413)	(332,668)
(89,718)	43,609
-	11,900
220,000	241,330
220,000	253,230
-	175,000
-	105,674
-	(492,171)
-	(20,495)
-	(8,287)
-	(240,279)
-	44
-	44
130,282	56,604
-	350,628
$ 130,282	$ 407,232
$ (90,623)	$ 43,069
-	120,188
-	(3,118)
515	(32,985)
390	3,563
-	3,515
905	91,163
$ (89,718)	$ 134,232

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.
- Parks and Recreation Fund, which account for all operations of the Town's park and recreation 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, 2018, 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 2018 was $149,290.

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.

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, 2018, the bank balance of the Town's deposits was \$ 2,266,904 of which \$ 250,000 was covered by federal depository insurance and \$ 2,016,904 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, 2018 the Town's investments included funds held in government Colotrust.

The Town had invested \$ 2,211,772 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, 2018 is as follows:

Cash on hand	$ 400
Cash in bank	2,223,689
Colotrust	2,211,772
Total cash and investments	$ 4,435,861

Note 6 - Interfund Transactions

Interfund Transfers

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

The following are the interfund transfers that occurred in 2018:

	Transfers	
Funds	In	Out
General Fund	$	$ 1,115,320
Capital Improvement Fund	1,515,000	
Reserve Fund	1,430	1,000,000
Grant Fund	107,560	
Parks and Recreation Fund	220,000	
Wastewater Fund	21,330	
Street and alleys Fund	250,000	
Totals	$ 2,115,320	$ 2,115,320

Note 7 - Long-Term Liabilities

Schedule of Long-Term Debt

Governmental Activities	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Due within one year
Compensated absences	$ 55,720	$ 14,231	$ -	$ 69,951	$ 69,951
Total	$ 55,720	$ 14,231	$ -	$ 69,951	$ 69,951

Enterprise Activities					
Note payable-Bureau of Reclamation	$ 4,026	$ -	$ (4,026)	$ -	$ -
Note payable-Alpine Bank	122,483	175,000	(16,468)	281,015	20,534
Compensated absences	8,776	3,515	-	$ 12,291	12,291
Total	$ 135,285	$ 178,515	$ (20,494)	$ 293,306	$ 32,825

Alpine Bank

The Town entered into a note payable with Alpine Bank for $250,000 on November 2005 to be used for the expansion of the water treatment plant. Payments are due in annual installments of $17,922 due April 1, 2006 through 2029 at an interest of 3.92%. The town borrowed an additional $175,000 on the loan in 2018 with an additional monthly payment of $1089.21.

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

	Principal	Interest	Totals
2019	$ 20,534	$ 10,458	$ 30,992
2020	21,355	9,638	30,993
2021	22,208	8,784	30,992
2022	23,096	7,897	30,993
2023	24,019	6,974	30,993
2024 to 2028	135,284	19,679	154,963
2029 to 2030	34,519	640	35,159
Total	$ 281,015	$ 64,070	$ 345,085

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.

The Town's total payroll in 2018 was $ 1,148,535. The total payroll covered by the plan was $674,460. A contribution of $ 67,446 was made to the plan in 2017. This contribution consisted of the Town's contribution of $ 33,723 and the employee's contributions of $ 33,723

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.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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.

Members of the SWDB plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. 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 21.5 percent of base salary through 2017. 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 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.75 percent through 2017.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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, 2017, the Entity reported a net pension liability of $ (54,604). The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. 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, 2017, the Town's proportion was 0.037955%, which was a decrease of 0.00336929% from its proportion of 0.042626% measured as of December 31, 2016.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2017, the Town recognized pension expense of $4,974 related to the SWDB.

At December 31, 2017, 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	$ 39,377	$ 605
Changes in Assumptions	8,277	-
Net difference between projected and actual earnings on pension plan investments	-	-
Change in assumptions	-	18,540
Contributions subsequent to the measurement date	-	26,741
Total	$ 47,654	$ 45,886

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:	
2018	$ 6,470
2019	$ 5,626
2020	$ (2,254)
2020	$ (5,176)
2021	$ 5,802
Thereafter	$ 18,401

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

The January 1, 2018 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2017. 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.

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

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

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.0%	8.33%
Equity Long/Short	9.0%	7.15%
Illiquid Alternatives	24.0%	9.70%
Fixed Income	15..0%	3.00%
Absolute Return	9.0%	6.46%
Managed Futures	4.0%	6.85%
Cash	2.0%	2.26%
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).

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%
$59,448	$(54,604)	$(149,310)

Note 10 - Capital Assets

Governmental Activities	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Capital assets not being depreciated				
Land	$ 3,091,170	$ -	$ -	$ 3,091,170
	3,091,170	-	-	3,091,170
Capital assets being depreciated				
Buildings	3,282,846	-	-	3,282,846
Improvements/infrastructure	6,455,074	803,814	-	7,258,888
Furniture and equipment	163,143	95,537		258,680
Machinery and equipment	578,544	13,100		591,644
Vehicles	627,507	56,126	-	683,633
	11,107,114	968,577	-	12,075,691
Less accumulated depreciation				
Buildings	(1,047,478)	(88,765)	-	(1,136,243)
Improvements/infrastructure	(2,648,077)	(494,536)	-	(3,142,613)
Furniture and equipment	(132,630)	(17,666)		(150,296)
Machinery and equipment	(347,903)	(38,017)		(385,920)
Vehicles	(540,189)	(39,424)	-	(579,613)
	(4,716,277)	(678,408)	-	(5,394,685)
Capital asset being depreciated, net	6,390,837	290,169	-	6,681,006
Total Capital Assets	$ 9,482,007	$ 290,169	$ -	$ 9,772,176

Business - Type Activities	Balance January 1, 2018	Additions	Dispositions	Balance December 31, 2018
Capital assets not being depreciated				
Land and water rights	$ 287,168	$ -	$ -	$ 287,168
Capital assets being depreciated				
Water utility system	2,695,048	309,897	-	3,004,945
Wastewater utility system	836,858	182,274	-	1,019,132
Water and storage tanks	649,105	-	-	649,105
Machinery and equipment	278,316	-	-	278,316
Vehicles	20,789	-	-	20,789
Less accumulated depreciation	(2,435,836)	(120,188)	-	(2,556,024)
Capital assets being depreciated, net	2,044,280	371,983	-	2,416,263
Total Business-Type Activities Capital Assets	$ 2,331,448	$ 371,983	$ -	$ 2,703,431

Note 10 - Capital Assets (continued)

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

General government	$ 89,885
Public safety	31,958
Highway and streets	445,665
Culture and recreation	110,900
Total	$ 678,408

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	$ 95,285
Wastewater Fund	24,903
Total	$ 120,188

Town of Parachute
Schedule of Change in Net Pension Liability
For the Year Ended December 31, 2018

Measurement Date:		December 31, 2017
Employer portion of NPA-December 31, 2016		0.000426255 %
Employer portion of NPA-December 31, 2017		0.00037955 %
Employer proportionate share of NPL	$	(54,604)
Employer covered payroll	$	334,262
Employer proportionate share of NPL as a percentage of covered payroll		-16%

Town of Parachute
Schedule of Contributions to Pension Plan
For the Year Ended December 31, 2018

Required Employer Contributions	December 31, 2013	$	20,488
Required Employer Contributions	December 31, 2014	$	20,116
Required Employer Contributions	December 31, 2015	$	17,310
Required Employer Contributions	December 31, 2016	$	17,452
Required Employer Contributions	December 31, 2017	$	17,761
Employer contributions recognized by plan	December 31, 2018	$	26,741
Covered employee payroll		$	334,263
Contributions as a percentage of employer covered payroll			8%

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Property Tax	$ 342,890	$ 342,890	**$ 333,550**	(9,340)
Sales Tax	1,810,000	1,810,000	**1,617,404**	(192,596)
Use Tax	25,000	25,000	**12,099**	(12,901)
Lodging Tax	150,000	150,000	**106,018**	(43,982)
Other Tax	58,500	58,500	**10,178**	(48,322)
Fines and Forfeitures	106,150	106,150	**80,455**	(25,695)
Licenses and Permits	25,750	25,750	**72,985**	47,235
State Mineral Severance	25,000	25,000	**38,065**	13,065
Sate Mineral Lease	100,000	100,000	**94,519**	(5,481)
State Grants	270,000	270,000	**23,288**	(246,712)
Miscellaneous	208,490	208,490	**197,812**	(10,678)
Interest	10,000	10,000	**45,678**	35,678
Total revenues	3,131,780	3,131,780	**2,632,052**	(499,728)
Expenditures				
Judicial	91,890	91,890	**73,149**	18,741
Executive and Legislative	554,525	554,525	**461,368**	93,157
Fiscal	65,520	65,520	**46,547**	18,973
Legal	65,000	65,000	**35,545**	29,455
Election	2,000	2,000	-	2,000
Building	50,510	50,510	**65,985**	(15,475)
Community Development	642,760	642,760	**551,501**	91,259
Law Enforcement	581,860	581,860	**604,933**	(23,073)
Records Coordination	54,300	54,300	**50,552**	3,748
Engineering	70,000	70,000	**13,821**	56,179
Parks	197,090	197,090	**166,308**	30,782
Contributions	25,450	25,450	**29,550**	(4,100)
Total Expenditures	2,400,905	2,400,905	**2,099,259**	301,646
Excess of Revenues over (under) Expenditures	730,875	730,875	**532,793**	(198,082)
Other Financing Sources (Uses)				
Transfers (Out)	(1,137,010)	(1,139,210)	**(1,115,320)**	(23,890)
Change in available resources	(406,135)	(408,335)	**(582,527)**	(174,192)
Fund Balance, January 1	653,988	653,988	**896,872**	242,884
Residual transfer	-	-	**(3,535)**	(3,535)
Fund Balance, December 31	$ 247,853	$ 245,653	**$ 310,810**	$ 65,157

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Reserve Fund
For the Year Ended December 31, 2018

	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	-	-	**-**	-
Other Financing Sources (Uses)				
Transfers in	1,430	1,430	**1,430**	-
Transfers (Out)	-	(1,000,000)	**(1,000,000)**	-
Change in available resources	1,430	(998,570)	**(998,570)**	-
Fund balance, January 1	3,070,600	3,070,600	**3,070,600**	-
Fund balance, December 31	$ 3,070,600	$ 2,072,030	**$ 2,072,030**	$ -

Town of Parachute
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 86,333	$ 159,873	$ 76	$ 246,282
Accounts receivable	-	-		-
Total assets	$ 86,333	$ 159,873	$ 76	$ 246,282
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	$ -	$ 6,114		$ 6,114
Accrued Payroll	-	1,384		1,384
Total liabilities	-	7,498	-	7,498
Fund balances:				
Unreserved:	86,333	152,375	76	238,784
Total fund balances	86,333	152,375	76	238,784
Total liabilities and fund balances	$ 86,333	$ 159,873	$ 76	$ 246,282

Town of Parachute
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ -	$ 45,999	$ -	$ 45,999
Intergovernmental	5,650	77,564	50,000	133,214
Interest Income	13	4,566	-	4,579
Total revenues	5,663	128,129	50,000	183,792
EXPENDITURES				
Street and Alleys	-	282,513	-	282,513
Parks and Recreation	-	-	157,484	157,484
Total expenditures	-	282,513	157,484	439,997
Excess revenues over (under) expenditures	5,663	(154,384)	(107,484)	(256,205)
Other Financing Sources (Uses)				
Transfers in (out)	-	250,000	107,560	357,560
Other Financing Sources (Uses)	-	250,000	107,560	357,560
Net change in fund balance	5,663	95,616	76	101,355
Fund balance, January 1	80,670	56,759	-	137,429
Fund balance, December 31	$ 86,333	$ 152,375	$ 76	$ 238,784

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Grants	$ 250,000	$ 250,000	**$ 250,000**	$ -
Total revenues	250,000	250,000	**250,000**	-
Expenditures				
Capital Outlay	994,130	1,994,130	**811,510**	1,182,620
Total expenditures	994,130	1,994,130	**811,510**	1,182,620
Excess of Revenues over (under) Expenditures	(744,130)	(1,744,130)	**(561,510)**	1,182,620
Other Financing Sources (Uses)				
Transfers in	515,000	1,515,000	**1,515,000**	-
Change in available resources	(229,130)	(229,130)	**953,490**	1,182,620
Fund Balance, January 1	638,785	638,785	**689,325**	50,540
Fund Balance, December 31	$ 409,655	$ 409,655	**$ 1,642,815**	$ 1,233,160

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Conservation Trust	$ 4,500	$ 4,500	**$ 5,650**	$ 1,150
Interest	20	20	**13**	(7)
Total revenues	4,520	4,520	**5,663**	1,143
Expenditures				
Capital Projects	87,585	87,585	-	
Total expenditures	87,585	87,585	-	-
Excess of Revenues over (under) Expenditures	(83,065)	(83,065)	**5,663**	1,143
Fund Balance, January 1	83,067	83,067	**80,670**	(2,397)
Fund Balance, December 31	$ 2	$ 2	**$ 86,333**	$ 86,331

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, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 35,210	$ 35,210	**$ 45,999**	$ 10,789
Intergovernmental	60,000	60,000	**77,564**	17,564
Miscellaneous	-	-	**4,566**	4,566
Total revenues	95,210	95,210	**128,129**	32,919
Expenditures				
Street and Alleys	309,200	309,200	**282,513**	26,687
Debt Service	14,330	14,330	**-**	14,330
Total expenditures	323,530	323,530	**282,513**	41,017
Excess of Revenues over (under) Expenditures	(228,320)	(228,320)	**(154,384)**	73,936
Other Financing Sources (Uses)				
Transfers In	250,000	250,000	**250,000**	-
Change in available resources	21,680	21,680	**95,616**	73,936
Fund Balance, January 1	30,399	30,399	**56,759**	26,360
Fund Balance, December 31	$ 52,079	$ 52,079	**$ 152,375**	$ 100,296

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Grant Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Grant Revenues	$ 170,000	$ 170,000	**$ 50,000**	$ (120,000)
Total revenues	170,000	170,000	**50,000**	(120,000)
Expenditures				
Expenditures	275,360	275,360	**157,484**	117,876
Total expenditures	275,360	275,360	**157,484**	117,876
Excess of revenues over (under) expenditures	(105,360)	(105,360)	**(107,484)**	(2,124)
Other Financing Sources (Uses)				
Transfers (Out)	105,360	107,560	**107,560**	-
Change in available resources	-	2,200	**76**	(2,124)
Fund balance, January 1	37,500	37,500	**-**	(37,500)
Fund balance, December 31	$ 37,500	$ 39,700	**$ 76**	$ (39,624)

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 392,500	$ 392,500	**$ 411,741**	$ 19,241
Interest Income	30	30	**44**	14
Grants	37,500	211,718	**105,674**	(106,044)
Tap Fees	30,000	30,000	**11,900**	(18,100)
Loan Proceeds	-	175,000	**175,000**	-
Miscellaneous	1,200	1,200	**1,079**	(121)
Total revenues	461,230	810,448	**705,438**	(105,010)
Expenditures				
Personnel	200,340	200,340	**195,792**	4,548
Office	900	900	**1,741**	(841)
Operations Supplies	11,600	11,600	**5,630**	5,970
Water	17,000	17,000	**17,688**	(688)
Repairs and Maintenance	14,500	14,500	**47,601**	(33,101)
Purchased Services	18,000	18,000	**3,967**	14,033
Insurance	10,000	10,000	**10,000**	-
Utilities	36,000	36,000	**31,243**	4,757
Professional Services	24,000	24,000	**17,577**	6,423
Other Expenses	4,600	4,600	**7,899**	(3,299)
Debt Service	26,970	33,505	**28,781**	4,724
Capital Outlay	200,205	549,423	**310,808**	238,615
Total expenditures	564,115	919,868	**678,727**	241,141
Excess of Revenues over (under) Expenditures	(102,885)	(109,420)	**26,711**	136,131
Available resources, January 1	166,527	166,527	**190,127**	23,600
Available resources, December 31	$ 63,642	$ 57,107	**$ 216,838**	$ 159,731

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 250,000	$ 250,000	$ **257,643**	$ 7,643
Interest Income	30	30	**-**	(30)
Grant Revenue	37,500	37,500	**37,509**	9
Tap Fees	30,000	30,000	**3,250**	(26,750)
Miscellaneous	-	-	**400**	400
Total revenues	317,530	317,530	**298,802**	(18,728)
Expenditures				
Personnel	38,480	38,480	**37,963**	517
Office	350	350	**631**	(281)
Operations Supplies	5,000	5,000	**605**	4,395
Treatment	110,000	110,000	**134,586**	(24,586)
Repairs and Maintenance	13,000	13,000	**13,388**	(388)
Purchased Services	530	530	**1,334**	(804)
Utilities	13,700	13,700	**9,089**	4,611
Professional Services	2,500	2,500	**7,553**	(5,053)
Other Expenses	3,000	3,000	**6,551**	(3,551)
Debt Service	8,725	8,725	**-**	8,725
Capital Outlay	150,205	205,205	**182,254**	22,951
Total expenditures	345,490	400,490	**393,954**	6,536
Excess of revenues over (under) expenditures	(27,960)	(82,960)	**(95,152)**	(12,192)
Other Financing Sources (Uses)				
Transfers in	21,330	21,330	**21,330**	-
Change in available resources	(6,630)	(61,630)	**(73,822)**	(12,192)
Available Resources, January 1	154,400	154,400	**127,747**	(26,653)
Residual transfer	-	-	**3,515**	3,515
Available Resources, December 31	$ 147,770	$ 92,770	$ **57,440**	$ (35,330)

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Garbage Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 60,000	$ 60,000	**$ 65,245**	$ 5,245
Total revenues	60,000	60,000	**65,245**	5,245
Expenditures				
Contract Hauler	56,000	62,000	**61,863**	137
Total expenditures	56,000	62,000	**61,863**	137
Excess of Revenues over (under) Expenditures	4,000	(2,000)	**3,382**	5,382
Available resources, January 1	38,941	38,941	**37,863**	(1,078)
Available resources, December 31	$ 42,941	$ 36,941	**$ 41,245**	$ 4,304

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 30,000	$ 30,000	**$ 15,980**	$ (14,020)
Total revenues	30,000	30,000	**15,980**	(14,020)
Expenditures				
Personnel	143,490	143,490	**65,928**	77,562
Office	750	750	**2,519**	(1,769)
Operations Supplies	1,750	1,750	**20,787**	(19,037)
Repairs and Maintenance	-	-	**905**	(905)
Purchased Services	-	-	**2,983**	(2,983)
Utilities	3,300	3,300	**2,013**	1,287
Professional Services	-	-	**10,011**	(10,011)
Other Expenses	500	500	**1,457**	(957)
Capital Outlay	3,000	3,000	**-**	3,000
Contingency	97,210	97,210	**-**	97,210
Total expenditures	250,000	250,000	**106,603**	143,397
Excess of Revenues over (under) Expenditures	(220,000)	(220,000)	**(90,623)**	129,377
Other Financing Sources (Uses)				
Transfers in	220,000	220,000	**220,000**	-
Change in available resources	-	-	**129,377**	129,377
Available resources, January 1	-	-	**-**	-
Available resources, December 31	$ -	$ -	**$ 129,377**	$ 129,377

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Parachute YEAR ENDING : Dec-18
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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	250,000
3. Other local imposts (from page 2)	44,603
4. Miscellaneous local receipts (from page 2)	50,535
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	345,138
B. Private Contributions	0
C. Receipts from State government (from page 2)	83,497
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	428,636

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	26,593
2. Maintenance:	46,538
3. Road and street services:	
a. Traffic control operations	68,431
b. Snow and ice removal	6,315
c. Other	12,450
d. Total (a. through c.)	87,195
4. General administration & miscellaneous	150,291
5. Highway law enforcement and safety	0
6. Total (1 through 5)	310,617
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	310,617

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
35,922	428,636	310,617	153,940	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): Dec-18

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	50,508
1. Sales Taxes	20,066	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	4,538	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	19,999	g. Other Misc. Receipts	0
6. Total (1. through 5.)	44,603	h. Other	0
c. Total (a. + b.)	44,603	i. Total (a. through h.)	50,535
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	57,565	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	25,933	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.)	25,933	g. Total (a. through g.)	0
4. Total (1. + 2. + 3.f)	83,497	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		9,773	9,773
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	9,773	9,773
			(Carry forward to page 1)

Notes and Comments: