
Town of Parachute
Financial Statements and
Independent Auditor's Report
as of
December 31, 2021

Town of Parachute

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Council
Town of Parachute, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Parachute, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Parachute, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Parachute, Colorado, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Certified Public Accountants

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Parachute, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Parachute, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Changes in Net Pension Asset, Schedule of Contributions to Pension Plan and budgetary comparison information on pages 3-16, 44, 45 and 46-47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Parachute, Colorado's basic financial statements. The combining, individual nonmajor 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, individual nonmajor 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
May 17, 2022

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, 2021. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by \$18,012,470 (net position) as of December 31, 2021.

- Total net position is comprised of the following:

Net investment in capital assets in the amount of \$12,429,617 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

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

Net position of \$5,380,253, 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 \$4,683,419 this year. This compares to the prior year ending fund balance of \$3,984,409 an increase of \$699,010.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

The Town has two types of funds:

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

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

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

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

Financial Analysis of the Town as a Whole

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

The Town's net position at fiscal year-end is \$18,012,470. The following tables provide a summary of the Town's net position for 2021.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current Assets	5,299,604	4,532,801	913,977	664,684	6,213,581	5,197,485
Capital Assets	10,090,553	10,638,460	2,558,746	2,697,282	12,649,299	13,335,742
Total Assets	15,390,157	15,171,261	3,472,723	3,361,966	18,862,880	18,533,227
Deferred Outflows of Resources	122,761	117,089	-	-	122,761	117,089
Liabilities:						
Current Liabilities	223,717	201,600	76,847	51,384	300,564	252,984
Noncurrent Liabilities	-	-	197,458	240,845	197,458	240,845
Net pension Liability	-	-	-	-	-	-
Total Liabilities	223,717	201,600	274,305	292,229	498,022	493,829
Deferred Inflows of Resources	475,149	435,189	-	-	475,149	435,189
Net Position:						
Net Investment in Capital Assets	10,090,553	10,638,460	2,339,064	2,456,437	12,429,617	13,094,897
Restricted	202,600	145,000			202,600	145,000
Unrestricted	4,520,899	3,868,101	859,354	613,300	5,380,253	4,481,401
Total Net Position	14,814,052	14,651,561	3,198,418	3,069,737	18,012,470	17,721,298

Note that approximately 69% of the Town's total net position is tied up in capital.

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In 2021, revenues in the various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2021.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
Revenues	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Program revenues						
Charges for Services	145,930	123,753	876,931	838,231	1,022,861	961,984
Operating Grants	99,761	90,661	17,250	-	117,011	90,661
Capital Grants	268,275	190,285	300,000	200,000	568,275	390,285
General Revenues						
Property Taxes	483,086	430,290	-	-	483,086	430,290
Intergovernmental	180,243	253,334	-	-	180,243	253,334
Oil & Gas Lease	54,477	262,457	-	-	54,477	262,457
Sales taxes and other	2,258,570	1,996,864	-	-	2,258,570	1,996,864
Franchise taxes	2,286	3,097	-	-	2,286	3,097
Miscellaneous	33,157	37,815	-	-	33,157	37,815
Interest Income	1,104	16,544	49	49	1,153	16,593
Gain on Sale of Assets	-	92,675	-	-	-	92,675
Transfers in (out)	(95,270)	(105,620)	95,270	105,620	-	-
Total Revenues	3,431,619	3,392,155	1,289,500	1,143,900	4,721,119	4,536,055
Expenses						
General Government	1,439,759	1,513,179	-	-	1,439,759	1,513,179
Public Safety	600,775	626,275	-	-	600,775	626,275
Highways & Streets	895,100	780,512	-	-	895,100	780,512
Culture & Recreation	333,494	494,143	70,238	79,587	403,732	573,730
Water	-	-	459,465	437,326	459,465	437,326
Wastewater	-	-	255,555	262,279	255,555	262,279
Garbage	-	-	62,420	61,270	62,420	61,270
Area Transit System	-	-	313,139	126,721	313,139	126,721
Total Expenses	3,269,128	3,414,109	1,160,817	967,183	4,429,945	4,381,292
Increase (Decrease)						
In Net Position	162,491	(21,954)	128,683	176,716	291,174	154,762
Residual Transfer		-				
Net Position - Beginning	14,651,561	14,673,515	3,069,735	2,893,019	17,721,298	17,566,536
Net Position - Ending	14,814,052	14,651,561	3,198,418	3,069,735	18,012,472	17,721,298

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2021, taxes equaled \$2,741,656 or 80% of total revenues of \$3,431,619 for the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs decreased \$144,981 a decline of 4% when compared to 2020. Public Safety comprises 18% of the Town's total governmental expenses, General Government at 45%, Highways and Street at 27%, Culture and Recreation at 10%.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

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

As of December 31, 2021, the total fund balances of the Town's governmental funds were \$4,683,419. Approximately 35 percent of this consists of unassigned fund balance, which is available as for current spending in accordance with the purposes of the Town. The remainder of fund balance is not available for new spending because it is for the following purposes: (1) a state-Constitution mandated emergency reserve (\$202,600), (2) capital reserves (\$847,580), (3) reserve for future operations (\$2,077,260), (4) Parks and Open Space (\$66,042) and (5) Streets and Alleys (\$44,522). The Town had Governmental revenues and other financing sources of \$3,431,619 and expenditures of \$3,269,128.

Proprietary Funds

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

As of December 31, 2021, the total net position of the Town's proprietary funds was \$3,198,418. Approximately 27% or \$859,354 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 (\$2,339,064). The Town had Proprietary operating revenues, non-operating revenues, and contributions of \$1,289,500 and operating expenses and non-operating expenses of \$1,160,817.

Budgetary Highlights

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

	Original Appropriation	Amendments	Revised Appropriation	Actual Expenditures
General Fund	2,916,955	171,010	3,087,965	2,730,466
Streets and Alleys Fund	192,060	41,410	233,470	227,641
Conservation Trust Fund	-		-	-
Grant fund	1,319,140		1,319,140	200,017
Reserve Fund	-		-	-
Parachute Capital Improvement Fund	395,250		395,250	83,535
Water fund	557,655	3,720	561,375	398,156
Waste Water fund	240,310	3,980	244,290	220,865
Garbage Fund	63,140		63,140	62,420
Parachute Area Transit System	423,340	(14,050)	409,290	291,768
Parks and Recreation Fund	85,930	250	86,180	70,238
	\$ 6,193,780.00	\$ 206,320.00	\$ 6,400,100.00	\$ 4,285,106.00

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2021, was \$10,090,553 for governmental activities and \$2,339,064 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	Disposition s	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,298,368	\$ -	\$ -	\$ 3,298,368
Total Capital Assets Not Being Depreciated	3,298,368	-	-	3,298,368
Depreciable Capital Assets:				
Buildings	4,191,908	110,366	-	4,302,274
Improvements/Infrastructure	8,214,451	-	-	8,214,451
Furniture & Equipment	274,376	40,745	-	315,121
Machinery & Equipment	722,071	47,774	-	769,845
Vehicles	843,189	84,960	-	928,149
Total Depreciable Capital Assets	14,245,995	283,845	-	14,529,840
Accumulated Depreciation:				
Buildings	(1,288,552)	(113,592)	-	(1,402,144)
Improvements/Infrastructure	(4,235,691)	(575,483)	-	(4,811,174)
Furniture & Equipment	(208,188)	(26,195)	-	(234,383)
Machinery & Equipment	(496,704)	(61,752)	-	(558,456)
Vehicles	(676,768)	(54,730)	-	(731,498)
Total Accumulated Depreciation	(6,905,903)	(831,752)	-	(7,737,655)
Net Depreciable Capital Assets	7,340,092	(547,907)	-	6,792,185
Total Net Governmental Activities	\$ 10,638,460	\$ (547,907)	\$ -	\$ 10,090,553

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land and Water Rights	\$ 287,168	\$ -	\$ -	\$ 287,168
	-	-	-	
Total Capital Assets Not Being Depreciated	287,168	-	-	287,168
Depreciable Capital Assets:				
Water Utility System	3,004,944	-	-	3,004,944
Wastewater Utility System	1,019,132	-	-	1,019,132
Water Storage Tanks	707,020	-	-	707,020
Machinery & Equipment	278,316	-	-	278,316
Vehicles	192,280	-	-	192,280
Total Depreciable Capital Assets	5,201,692	-	-	5,201,692
Accumulated Depreciation:				
Water Utility System	(1,581,358)	(64,857)	-	(1,646,215)
Wastewater System	(716,271)	(21,406)	-	(737,677)
Water Storage Tanks	(200,277)	(16,313)	-	(216,590)
Machinery & Equipment	(242,150)	(1,660)	-	(243,810)
Vehicles	(51,526)	(34,298)	-	(85,824)
Total Accumulated Depreciation	(2,791,580)	(138,532)	-	(2,930,112)
Net Depreciable Capital Assets	2,410,112	(138,532)	-	2,271,580
Total Business-Type Activities	\$ 2,697,280	\$ (138,532)	\$ -	\$ 2,558,748

On December 31, 2021, the depreciable capital assets for governmental activities were 43% depreciated. As for the Town's business-type activities, 53% of the asset values were depreciated at December 31, 2021.

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

Long-term Debt

During the year ended December 31, 2021, the Town did not enter any new capital leases. The Town has an existing note payable with Alpine Bank and borrowed an additional \$175,000 for the Water fund in 2018. Monthly payments of \$1089.21 began in 2018 and existing annual payment of \$17,922 was paid in April.

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

Grant Funding / Projects

The Town of Parachute continues to receive grant funding for projects and other purposes. During 2021, the Town of Parachute received grant funding for the following:

Colorado Parks & Wildlife Fishing is Fun.....\$27,112

The Town was awarded a grant to help construct and/or install public restroom facilities near key public river access points.

GCFMLD.....\$50,000

The Town received funding from Garfield County Federal Mineral Leasing District (GCFMLD) to reimburse the partial cost of the acquisition of a Police Vehicle and the cost of a Public Works utility truck.

CDOT\$150,000

A grant from the Colorado Department of Transportation (CDOT) has been received to help fund a project to construct a park, various amenities, and install restrooms at the south end of the CDOT pedestrian bridge across I-70.

DOLA.....\$120,550

The Town has received an EIAF grant for the construction of sidewalks and other infrastructure along Cardinal Way. The project is scheduled for construction in 2022 – 2023, in conjunction with a private development project. Additional intersection improvements at the corner of Cardinal Way and CR 300 are planned for 2022 and will be at the expense of the developer.

Garfield County\$250,000

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

Conservation Trust Fund.....\$50,000

Garfield County has awarded the Town Conservation Trust Fund dollars for the development of a trails master plan and to further the development of recreation opportunities in the region.

SWOT Analysis

Strengths, Weaknesses, Opportunities and Threats for the Town

Strengths

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

- Roan Plateau & Book Cliffs rock formations
- Battlement Mesa Development – Potential for 25,000 residents – Three (3) square miles future land development
- Education facilities – Garfield District 16 (Parachute), Colorado Mountain College (Rifle/Glenwood Springs), and Colorado Mesa University (Grand Junction)
- Progressive leadership

Additional strengths identified:

- Location – the Town’s proximity to both Glenwood Springs and Grand Junction makes both cities accessible for shopping and other business
 - Parachute can be considered the Day Trip Destination – Many destinations, both east and west are within a two-hour drive from the Town. Moab, UT; Fruita’ Grand Junction; Colorado Monument; DeBeque (Book Cliffs and Wild Horse area); Rifle; Glenwood Springs; Aspen; and Vail.
 - Parachute also has an abundance of natural resources and outdoor recreation opportunities that are a draw to tourists. Examples include fishing and boating on the river, the Battlement Mesa golf course, and many other trails in the nearby National Forest and Battlement Lakes region.

Weaknesses

- Single-based (natural gas) economy – In June 2015, the Town Council approved ordinance 683. The ordinance allowed marijuana establishments to be opened and regulated within the boundaries of the Town of Parachute. Since that time marijuana sales have become a significant source of sales tax revenue for the Town. The sales tax from marijuana sales has been close to 35.0% of total revenues since 2017.
- The weakness of the natural gas economy continues to strengthen with the approval of Senate Bill 19-181 and the new rules for the Colorado Oil and Gas Conservation Commission (COGCC). The industry will now have to abide by much more and stricter regulations enforced by the State of Colorado.
- Lack of retail and entertainment amenities – For several years, the Town has focused efforts towards providing additional outdoor activities for residents and visitors. In 2018, the Town opened its TOP Adventures operation, and has leased it to a private operator as of summer 2022. This amenity offers rentals for watercraft to float down a six (6) mile section of the Colorado River. In 2019, the Town installed a splash pad at Cottonwood Park. There are other ventures in the pipeline: Parachute Island Park, trails, hiking, biking, etc.
- Small population - Population is growing slowly, and there are limited areas that are slated for residential development within the Town of Parachute. Several large subdivisions are planned for construction in Battlement Mesa.

Opportunities

- New Development - Love's Travel Stops has commenced construction of a travel center, convenience store, McDonald's, and Chester's Chicken. It is scheduled to open late 2022 / early 2023. The Town is also seeing new businesses come to Town, such as the addition of a flower shop, a restaurant, food trucks, and a new barber shop.
- Potential Future Development – the Town has an abundance of vacant lots that are prime for commercial, manufacturing, and industrial businesses, including the area located around the West Parachute I70 interchange.
- Sodium bicarbonate mineral deposits (soda ash industry) – Natural Soda Inc. is sitting on top of the resource. The identified resource has an expected life of several hundred years at the current mining level. The potential is here to easily double, or even triple current capacity as the market and investors allow.
- Potential to annex property into Town – the Town has annexed several properties since 2015: T&T Associates (2017); John Lyons (2017); JWT Land Company (2018); KOPJE Ranch (2018); Battlement Mesa Partners (2020); and Ivo Lindaeur (2021). These annexations have added significant acreage to the Town boundaries. Other annexations are being considered at this time.
- Potential Oil Shale extraction companies – Caerus Oil and Gas LLC and Terra Energy Partners have acquired most of the industry property and assets in the area. Both XTO (Exxon) and Ursa have sold their assets and are no longer in the area. Hopefully, the smaller independent companies can be more nimble/flexible and able to begin exploration drilling in the near future.
- Recreation and Tourism potential – The TOP Adventures operation mentioned above is the first step toward developing recreation and tourism for the Town. A trails master plan will be imagined in 2022 with the help of funding from Garfield County. The Town acquired 70 acres in the northwest portion of the Town adjacent to Bureau of Land Management (BLM) acreage. It is to be determined what is to be developed at this location, but, at minimum, it provides access to the BLM property for hunting, hiking, etc.
- Medical and recreational marijuana dispensaries and grow facilities – Six (6) recreational retail shops are operating within the Town. This brings in sales tax revenue that allows the Town to continue operations and improve the Town through match dollars for grants.

Threats

- Commodity Prices / Inflation – As inflation and the cost of construction continues to grow, potential development in the Town becomes less attractive.
- Front range competing formations – Exploration drilling for natural gas is inherently more expensive in the mountain than on the Front Range. Once drilling resumes, the less expensive operations will be the first to start up again.
- Drought and Natural Disasters – The Town has an abundance of water rights and a resilient supply through both the Colorado River and Revel Springs intakes. However, prolonged drought and the threat of natural disasters, such as wildfires, could threaten the Town.

Economic Development Strategy

In May 2021, the Town began an extensive update of the Comprehensive Plan, and it was adopted in June 2022. Following the review of current conditions and an overall assessment of the Town, Economic Diversification and Resilience were key themes throughout the process.

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

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

Economic Diversification

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

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

Given the small population of Parachute, a conglomeration of goods and services makes economic sense, and may better attract businesses that provide a food market, as well as home goods. The addition of the Love's travel center, McDonald's and Chester's Chicken establishments will help meeting the needs of the community and contribute to this strategy of diversification and preventing leakage.

Public/Private Partnerships for Investment

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

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

Urban Renewal (URA) and Revitalization

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

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

The Town has applied for a planning grant to create a Downtown Development Plan for the 1st Street corridor. This plan, and the capital projects that it will identify, may serve as a foundation for the creation of an URA.

Contacting the Town's Financial Management

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

BASIC FINANCIAL STATEMENTS

Town of Parachute
Statement of Net Position
December 31, 2021

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,486,162	\$ 828,512	\$ 5,314,674
Property Taxes Receivable	395,715	-	395,715
Accounts Receivable	340,691	85,465	426,156
Net pension asset	77,036	-	77,036
Capital assets			
Nondepreciable	3,298,368	287,168	3,585,536
Depreciable, net of accumulated depreciation	6,792,185	2,271,578	9,063,763
Total assets	<u>15,390,157</u>	<u>3,472,723</u>	<u>18,862,880</u>
DEFERRED OUTFLOWS			
Deferred outflows of resources related to pensions	122,761	-	122,761
Total Deferred outflows	<u>122,761</u>	<u>-</u>	<u>122,761</u>
LIABILITIES			
Accounts Payable	112,625	25,330	137,955
Accrued payroll	30,809	9,713	40,522
Accrued compensated absences	80,283	17,106	97,389
Unearned revenues	-	2,474	2,474
Noncurrent liabilities:			
Due within one year	-	22,224	22,224
Due more than one year:	-	197,458	197,458
Total liabilities	<u>223,717</u>	<u>274,305</u>	<u>498,022</u>
Deferred inflows of resources			
Deferred property taxes	395,715	-	395,715
Deferred inflows of resources related to pensions	79,434	-	79,434
Total Deferred inflows of resources	<u>475,149</u>	<u>-</u>	<u>475,149</u>
NET POSITION			
Invested in capital assets	10,090,553	2,339,064	12,429,617
Restricted for:			
Tabor	202,600	-	202,600
Unrestricted	4,520,899	859,354	5,380,253
Total net position	<u>\$ 14,814,052</u>	<u>\$ 3,198,418</u>	<u>\$ 18,012,470</u>

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,439,759	\$ 122,758	\$ -	\$ 268,275
Public Safety	600,775	18,162	-	-
Highway and Streets	895,100	-	92,364	-
Culture and Recreation	333,494	5,010	7,397	-
Total governmental activities	<u>3,269,128</u>	<u>145,930</u>	<u>99,761</u>	<u>268,275</u>
Business-type activities:				
Water	459,465	446,209	17,250	-
Wastewater	255,555	323,014	-	-
Garbage	62,420	72,542	-	-
Parks and Recreation	70,238	21,179	-	-
Area Transit System	313,139	13,987	-	300,000
Total business- type activities	<u>1,160,817</u>	<u>876,931</u>	<u>17,250</u>	<u>300,000</u>
Total primary government	<u>\$ 4,429,945</u>	<u>\$ 1,022,861</u>	<u>\$ 117,011</u>	<u>\$ 568,275</u>

General Revenues

Taxes:

Sales and Use tax

Property Tax

Franchise taxes

Other Tax

Intergovernmental

Oil and Gas Lease

Unrestricted investment earnings

Miscellaneous

Transfers In (out)

Total General Revenues and Transfers

Changes in Net Position

Net Position-January 1

Net Position-December 31

Net (Expense) Revenue and Changes in Net Position

Primary Government		
Governmental	Business-Type	
Activities	Activities	Total
\$ (1,048,726)	\$ -	\$ (1,048,726)
(582,613)	-	(582,613)
(802,736)	-	(802,736)
(321,087)	-	(321,087)
<u>(2,755,162)</u>	<u>-</u>	<u>(2,755,162)</u>
-	3,994	3,994
-	67,459	67,459
-	10,122	10,122
-	(49,059)	(49,059)
-	848	848
<u>-</u>	<u>33,364</u>	<u>33,364</u>
<u>(2,755,162)</u>	<u>33,364</u>	<u>(2,721,798)</u>
2,141,015	-	2,141,015
483,086	-	483,086
2,286	-	2,286
117,555	-	117,555
180,243	-	180,243
54,477	-	54,477
1,104	49	1,153
33,157	-	33,157
(95,270)	95,270	-
<u>2,917,653</u>	<u>95,319</u>	<u>3,012,972</u>
162,491	128,683	291,174
14,651,561	3,069,735	17,721,296
<u>\$ 14,814,052</u>	<u>\$ 3,198,418</u>	<u>\$ 18,012,470</u>

The accompanying notes are an integral part of this statement.

**Town of Parachute
Governmental Funds
Balance Sheet
December 31, 2021**

	General Fund	Capital Improvement Fund	Reserve Fund
Assets			
Cash and Cash Equivalents	\$ 1,453,039	\$ 794,776	\$ 2,077,260
Property Taxes Receivable	395,715	-	-
Accounts Receivable	334,314	-	-
Total assets	<u>\$ 2,183,068</u>	<u>\$ 794,776</u>	<u>\$ 2,077,260</u>
Liabilities			
Accounts Payable	\$ 111,715	\$ -	\$ -
Accrued Payroll	27,623	-	-
Total Liabilities	<u>139,338</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Deferred property taxes	395,715	-	-
Total Deferred inflows of resources	<u>395,715</u>	<u>-</u>	<u>-</u>
Fund Balance			
Restricted			
Parks and Open Space	-	-	-
Emergency Reserves	202,600	-	-
Assigned			
Future Operations	-	-	2,077,260
Streets and Alleys	-	-	-
Capital Projects	-	794,776	-
Unassigned	1,445,415	-	-
Total Fund Equity	<u>1,648,015</u>	<u>794,776</u>	<u>2,077,260</u>
Total Liabilities, deferred inflows of resources and fund equity	<u>\$ 2,183,068</u>	<u>\$ 794,776</u>	<u>\$ 2,077,260</u>

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 161,087	\$ 4,486,162
-	395,715
6,377	340,691
<u>\$ 167,464</u>	<u>\$ 5,222,568</u>
\$ 910	\$ 112,625
3,186	30,809
<u>4,096</u>	<u>143,434</u>
-	395,715
<u>-</u>	<u>395,715</u>
66,042	66,042
-	202,600
-	2,077,260
44,522	44,522
52,804	847,580
-	1,445,415
<u>163,368</u>	<u>4,683,419</u>
<u>\$ 167,464</u>	<u>\$ 5,222,568</u>

The accompanying notes are an integral part of this statement.

Town of Parachute
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2021

Total fund balance, governmental funds \$ 4,683,419

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

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

Cost of capital assets	\$ 17,828,208	
Less accumulated depreciation	<u>(7,737,655)</u>	10,090,553

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	(80,283)
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Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.	120,363
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Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 14,814,052</u></u>
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The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Capital Improvement Fund	Reserve Fund
REVENUES			
Taxes	\$ 2,743,932	\$ -	\$ -
Licenses/Permits	99,962	-	-
Intergovernmental	180,243	140,253	-
Fines and Forfeitures	39,292	-	-
Miscellaneous	92,787	-	-
Interest	1,103	-	-
Total revenues	<u>3,157,319</u>	<u>140,253</u>	<u>-</u>
EXPENDITURES			
Current:			
Judicial	50,123	-	-
Executive and Legislative	562,867	-	-
Fiscal	54,760	-	-
Legal	37,243	-	-
Building	152,317	-	-
Community Development	378,426	-	-
Law Enforcement	610,146	-	-
Records Coordination	74,834	-	-
Street and Alley	85,031	-	-
Parks	195,112	-	-
Contributions	20,557	-	-
Capital Outlay	-	83,535	-
Total expenditures	<u>2,221,416</u>	<u>83,535</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	935,903	56,718	-
Other Financing Sources (Uses)			
Transfers In	-	157,530	-
Transfers (Out)	(509,050)	-	-
Change in available resources	426,853	214,248	-
Fund Balances- January 1	<u>1,221,162</u>	<u>580,528</u>	<u>2,077,260</u>
Fund Balances- December 31	<u>\$ 1,648,015</u>	<u>\$ 794,776</u>	<u>\$ 2,077,260</u>

The accompanying notes are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 37,599	\$ 2,781,531
190,184	290,146
-	320,496
-	39,292
1,534	94,321
-	1,103
<u>229,317</u>	<u>3,526,889</u>
-	50,123
-	562,867
-	54,760
-	37,243
-	152,317
-	378,426
-	610,146
-	74,834
227,641	312,672
200,017	395,129
-	20,557
-	83,535
<u>427,658</u>	<u>2,732,609</u>
(198,341)	794,280
256,250	413,780
-	(509,050)
57,909	699,010
105,459	3,984,409
<u>\$ 163,368</u>	<u>\$ 4,683,419</u>

The accompanying notes are an integral part of this statement.

Town of Parachute
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balances - total governmental funds \$ 699,010

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Fixed assets current additions	\$ 283,845	
Depreciation expense	(831,752)	
Excess of capital outlay over depreciation	(547,907)	(547,907)

The net effect of various transactions involving capital assets (i.e. sales, trades and disposals) is to decrease 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		(2,646)
Pension expenses not in current year		14,034

Change in net position of governmental funds \$ 162,491

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Net Position
Enterprise Funds
December 31, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
ASSETS			
Current Assets:			
Cash	\$ 372,828	\$ 202,833	\$ 59,399
Accounts receivable, net	44,134	32,839	8,492
Total current assets	<u>416,962</u>	<u>235,672</u>	<u>67,891</u>
Capital assets:			
Water Shares	282,101	-	-
Land	4,095	972	-
Property, plant and Equipment	3,916,707	1,178,130	-
Less accumulated depreciation	(2,033,040)	(857,894)	-
Total capital assets	<u>2,169,863</u>	<u>321,208</u>	<u>-</u>
Total Assets	<u><u>\$ 2,586,825</u></u>	<u><u>\$ 556,880</u></u>	<u><u>\$ 67,891</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,229	\$ 12,727	\$ 5,271
Accrued payroll	4,167	1,007	-
Accrued compensated absences	9,413	2,697	-
Unearned revenues	2,474	-	-
Notes Payable	22,224	-	-
Total current liabilities	<u>41,507</u>	<u>16,431</u>	<u>5,271</u>
Noncurrent Liabilities			
Notes Payable	197,458	-	-
Total noncurrent liabilities	<u>197,458</u>	<u>-</u>	<u>-</u>
Net Position			
Invested in capital assets, net of related debt	1,950,181	321,208	-
Unrestricted	397,679	219,241	62,620
Total Net Position	<u><u>\$ 2,347,860</u></u>	<u><u>\$ 540,449</u></u>	<u><u>\$ 62,620</u></u>

The accompanying notes are an integral part of this statement.

Parks and Recreation	Area Transit System	Total Enterprise Funds
\$ 9,538	\$ 183,914	\$ 828,512
-	-	85,465
9,538	183,914	913,977
-	-	282,101
-	-	5,067
-	106,856	5,201,693
-	(39,181)	(2,930,115)
-	67,675	2,558,746
<u>\$ 9,538</u>	<u>\$ 251,589</u>	<u>\$ 3,472,723</u>
\$ 143	\$ 3,960	\$ 25,330
76	4,463	9,713
680	4,316	17,106
-	-	2,474
-	-	22,224
899	12,739	76,847
-	-	197,458
-	-	197,458
-	67,675	2,339,064
8,639	171,175	859,354
<u>\$ 8,639</u>	<u>\$ 238,850</u>	<u>\$ 3,198,418</u>

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
Operating Revenues			
Charges for services	\$ 440,550	\$ 309,514	\$ 72,542
Other	5,659	13,500	-
Total operating revenues	<u>446,209</u>	<u>323,014</u>	<u>72,542</u>
Operating Expenses			
Operations	174,186	174,459	62,420
Personnel	192,977	46,406	-
Depreciation	82,472	34,690	-
Total operating expenses	<u>449,635</u>	<u>255,555</u>	<u>62,420</u>
Operating income (loss)	<u>(3,426)</u>	<u>67,459</u>	<u>10,122</u>
Nonoperating revenues (expenses)			
Interest income	49	-	-
Interest expense	(9,830)	-	-
Total nonoperating revenues (expenses)	<u>(9,781)</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers and and Capital Contributions	(13,207)	67,459	10,122
Contributions and Transfers			
Transfers	-	-	-
Tap Fees	17,250	-	-
Total Contributions and Transfers	<u>17,250</u>	<u>-</u>	<u>-</u>
Change in net position	4,043	67,459	10,122
Total net position, January 1	<u>2,343,817</u>	<u>472,990</u>	<u>52,498</u>
Total net position, December 31	<u><u>\$ 2,347,860</u></u>	<u><u>\$ 540,449</u></u>	<u><u>\$ 62,620</u></u>

The accompanying notes are an integral part of this statement.

Parks and Recreation	Area Transit System	Total
\$ 21,179	\$ 13,987	\$ 857,772
-	-	19,159
<u>21,179</u>	<u>13,987</u>	<u>876,931</u>
23,438	55,982	490,485
46,800	235,786	521,969
	21,371	138,533
<u>70,238</u>	<u>313,139</u>	<u>1,150,987</u>
<u>(49,059)</u>	<u>(299,152)</u>	<u>(274,056)</u>
-	-	49
-	-	(9,830)
<u>-</u>	<u>-</u>	<u>(9,781)</u>
		-
(49,059)	(299,152)	(283,837)
8,600	86,670	95,270
-	300,000	317,250
<u>8,600</u>	<u>386,670</u>	<u>412,520</u>
(40,459)	87,518	128,683
49,098	151,332	3,069,735
<u>\$ 8,639</u>	<u>\$ 238,850</u>	<u>\$ 3,198,418</u>

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>
Cash Flows From Operating Activities			
Cash received from customer and others	\$ 447,789	\$ 323,159	\$ 73,494
Cash payments for personnel	(173,206)	(174,556)	(62,420)
Cash payments for goods and services	(194,048)	(45,048)	128
Net cash provided (used) by operating activities	<u>80,535</u>	<u>103,555</u>	<u>11,202</u>
Cash Flows from Noncapital Financing Activities			
Transfers	-	-	-
Tap fees	17,250	-	-
Net cash provided (used) by noncapital financing activities	<u>17,250</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Receipt of capital grants	-	-	-
Long term debt payment- principal	(21,163)	-	-
Long term debt payment- interest	(9,830)	-	-
Net cash provided (used) by capital and related financing activities	<u>(30,993)</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities			
Interest on investments	49	-	-
Net Cash provided by Investing Activities	<u>49</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	66,841	103,555	11,202
Cash balances, January 1	305,987	99,278	48,197
Cash balances, December 31	<u>\$ 372,828</u>	<u>\$ 202,833</u>	<u>\$ 59,399</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (3,426)	\$ 67,459	\$ 10,122
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	82,472	34,690	-
Assets (increase) decrease:			
Accounts receivables	973	145	952
Liabilities increase (decrease):			
Accounts payable	(1,071)	1,358	128
Accrued payroll	435	93	-
Accrued compensated absences	545	(190)	-
Unearned revenues	607	-	-
Total adjustments	<u>83,961</u>	<u>36,096</u>	<u>1,080</u>
Net cash provided (used) by operating activities	<u>\$ 80,535</u>	<u>\$ 103,555</u>	<u>\$ 11,202</u>

The accompanying notes are an integral part of this statement.

Parks and Recreation	Area Transit System	Total Enterprise Funds
\$ 21,179	\$ 13,987	\$ 879,608
(23,529)	(53,496)	(487,207)
(47,680)	(235,967)	(522,615)
<u>(50,030)</u>	<u>(275,476)</u>	<u>(130,214)</u>
8,600	86,670	95,270
-	-	17,250
<u>8,600</u>	<u>86,670</u>	<u>112,520</u>
-	300,000	300,000
-	-	(21,163)
<u>-</u>	<u>-</u>	<u>(9,830)</u>
-	300,000	269,007
-	-	49
<u>-</u>	<u>-</u>	<u>49</u>
(41,430)	111,194	251,362
50,968	72,720	577,150
<u>\$ 9,538</u>	<u>\$ 183,914</u>	<u>\$ 828,512</u>
<u>\$ (49,059)</u>	<u>\$ (299,152)</u>	<u>\$ (274,056)</u>
-	21,371	138,533
-	-	2,070
(880)	(181)	(646)
(531)	(841)	(844)
440	3,327	4,122
-	-	607
<u>(971)</u>	<u>23,676</u>	<u>143,842</u>
<u>\$ (50,030)</u>	<u>\$ (275,476)</u>	<u>\$ (130,214)</u>

The accompanying notes are an integral part of this statement.

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Government-wide Financial Statements

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

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

C. Fund Financial Statements

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

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

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

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Reserve Fund* is a special revenue fund used to account for funds set aside by the council for future operations and emergency reserves.
- The *Capital Improvement Fund* accounts for long-term capital construction projects of the Town.

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

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

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

- Water, Wastewater and Garbage Funds, which account for all operations of the Town's water, sewer and garbage services. They are primarily financed by user charges.
- Parks and Recreation Fund, which account for all operations of the Town's Park and recreation services. They are primarily financed by user charges.
- Area Transit System Fund, which account for the operations of the Town's public busing system, which is financed by user charges.

Town of Parachute
Notes to the Financial Statements
December 31, 2021

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, 2021, consisted of investments with Colotrust which is stated at net asset value.

G. Use of Estimates

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

H. Property Taxes

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

I. Capital Assets

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

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

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

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

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

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources

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

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

K. Long-Term Liabilities

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

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

L. Compensated Absences

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

M. Net Position

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

N. Interfund Transactions

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

O. Encumbrances

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

P. Accounts Receivable

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

Q. Fund Equity

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

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Fund Equity (continued)

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

When expenditures are incurred for purposes for which both restricted and unrestricted net position are available, the Town considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

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

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

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

Note 3 - Tax, Spending and Debt Limitations

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

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 2021 was \$202,600.

Note 4 - Budgets

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

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 4 - Budgets (continued)

- G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There were revisions made to the original budgeted expenditures for the General, Streets and Alley, Water, Wastewater, Parks and Recreation, and Parachute Area Transit System Funds for the year ending December 31, 2021.
- 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, 2021, the bank balance of the Town's deposits was \$ 3,073,987 of which \$ 250,000 was covered by federal depository insurance and \$ 2,823,987 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, 2021, the Town's investments included funds held in government Colotrust.

The Town had invested \$2,281,633 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities.

Town of Parachute
Notes to the Financial Statements
December 31, 2021

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, 2021 is as follows:

Cash on hand	\$ 400
Cash in bank	3,032,632
Colotrust	<u>2,281,633</u>
Total cash and investments	<u>\$ 5,314,665</u>

Note 6 - Interfund Transactions

Interfund Transfers

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

The following are the interfund transfers that occurred in 2021:

Funds	Transfers	
	In	Out
General Fund	\$	\$ 509,050
Capital Improvement Fund	157,530	
Grant Fund	106,250	
Area Transit System Fund	86,670	
Street and alleys Fund	150,000	
Park and Recreation	8,600	
Totals	<u>\$ 509,050</u>	<u>\$ 509,050</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 7 - Long-Term Liabilities

Schedule of Long-Term Debt

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due within one year
Governmental Activities					
Compensated absences	\$ 77,638	\$ 2,645	\$ -	\$ 80,283	\$ 80,283
Total	<u>\$ 77,638</u>	<u>\$ 2,645</u>	<u>\$ -</u>	<u>\$ 80,283</u>	<u>\$ 80,283</u>
Enterprise Activities					
Note payable-Alpine Bank	\$ 240,845	\$ -	\$ (21,163)	\$ 219,682	\$ 22,224
Compensated absences	12,984	4,122	-	\$ 17,106	17,106
Total	<u>\$ 253,829</u>	<u>\$ 4,122</u>	<u>\$ (21,163)</u>	<u>\$ 236,788</u>	<u>\$ 39,330</u>

Alpine Bank

The Town entered into a note payable with Alpine Bank for \$250,000 on November 2005 to be used for the expansion of the water treatment plant. Payments are due in annual installments of \$17,926 due April 1, 2006 through 2029 at an interest of 3.60%.

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

	Principal	Interest	Totals
2022	\$ 15,562	\$ 2,360	\$ 17,922
2023	16,123	1,799	17,922
2024	16,703	1,219	17,922
2025	17,158	618	17,776
Total	<u>\$ 65,546</u>	<u>\$ 5,996</u>	<u>\$ 71,542</u>

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

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 7 - Long-Term Liabilities (continued)

	Principal	Interest	Totals
2022	\$ 6,648	\$ 6,422	\$ 13,070
2023	6,936	6,134	13,070
2024	7,237	5,834	13,071
2025	7,551	5,520	13,071
2026	7,878	5,193	13,071
2027 to 2031	44,816	20,537	65,353
2032 to 2036	55,406	9,947	65,353
2037 to 2038	17,664	560	18,224
Total	<u>\$ 154,136</u>	<u>\$ 60,147</u>	<u>\$ 214,283</u>

Note 8 - Contingent liabilities

Risk management

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

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

Note 9 - Retirement Plans

Defined Contribution Plan

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

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 9 - Retirement Plans (continued)

Defined Contribution Plan (continued)

Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period. For the year ended December 31, 2021, the Town's total payroll was \$1,285,887, the total covered payroll by the retirement plan was \$860,660. During 2021, the Town and employees each made their respectively required contribution of \$43,033, for a total of \$86,066. Complete financial statements for the retirement plans may be obtained from CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Defined Benefit Plan- SWDB

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

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

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

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23 percent and 24 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.50 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4.0 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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

At December 31, 2021, the Entity reported a net pension asset of \$ 77,036. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2020, the Town's proportion was 0.03548%, which was an increase of 0.0333% from its proportion of 0.03215% measured as of December 31, 2019.

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2021, the Town recognized pension expense of (\$14,034) related to the SWDB.

At December 31, 2021, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 65,334	\$ 306
Changes in Assumptions	32,765	-
Net difference between projected and actual earnings		
on pension plan investments	-	79,127
Change in assumptions	-	-
Contributions subsequent to the measurement date	<u>24,662</u>	<u>-</u>
Total	<u>\$ 122,761</u>	<u>\$ 79,434</u>

The SWDB plan reported \$24,662 as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as an increase in net position asset in the year ended December 31, 2021.

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:	
2021	\$(8,656)
2022	\$ 1,608
2023	\$(11,705)
2024	\$ 1,757
2025	\$ 14,136
Thereafter	\$ 21,525

The January 1, 2021 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2020. The valuation used the following actuarial assumption and other inputs:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of payroll, Open
Amortization Period	30 years
Long-term Investment rate of return*	7.0%
Projected Salary Increases	4.25%-11.25%
Cola adjustment	0.0%
*Includes Inflation At	2.5%

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

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

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

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Discount rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

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

1% Decrease	Single Discount Rate	1% Increase
6.00%	Assumption	8.00%
\$77,525	7.00%	\$ (205,033)
	\$(77,036)	

Note 10 - Capital Assets

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

General government	\$ 96,379
Public safety	28,990
Highway and streets	524,918
Culture and recreation	181,465
Total	<u>\$ 831,752</u>

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	\$ 82,472
Wastewater Fund	34,690
Area Transit System Fund	21,371
Total	<u>\$ 138,533</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2021

Note 10 - Capital Assets

	Balance January 1, 2021	Additions	Dispositions	Balance December 31, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,298,368	\$ -	\$ -	\$ 3,298,368
	<u>3,298,368</u>	<u>-</u>	<u>-</u>	<u>3,298,368</u>
Capital assets being depreciated				
Buildings	4,191,908	110,366	-	4,302,274
Improvements/infrastructure	8,214,451	-	-	8,214,451
Furniture and equipment	274,376	40,745	-	315,121
Machinery and equipment	722,071	47,774	-	769,845
Vehicles	843,189	84,960	-	928,149
	<u>14,245,995</u>	<u>283,845</u>	<u>-</u>	<u>14,529,840</u>
Less accumulated depreciation				
Buildings	(1,288,552)	(113,592)	-	(1,402,144)
Improvements/infrastructure	(4,235,691)	(575,483)	-	(4,811,174)
Furniture and equipment	(208,188)	(26,195)	-	(234,383)
Machinery and equipment	(496,704)	(61,752)	-	(558,456)
Vehicles	(676,768)	(54,730)	-	(731,498)
	<u>(6,905,903)</u>	<u>(831,752)</u>	<u>-</u>	<u>(7,737,655)</u>
Capital asset being depreciated, net	<u>7,340,092</u>	<u>(547,907)</u>	<u>-</u>	<u>6,792,185</u>
Total Capital Assets	<u>\$ 10,638,460</u>	<u>\$ (547,907)</u>	<u>\$ -</u>	<u>\$ 10,090,553</u>
	Balance January 1, 2021	Additions	Dispositions	Balance December 31, 2021
Business - Type Activities				
Capital assets not being depreciated				
Land and water rights	\$ 287,168	\$ -	\$ -	\$ 287,168
Capital assets being depreciated				
Water utility system	3,004,944	-	-	3,004,944
Wastewater utility system	1,019,132	-	-	1,019,132
Water and storage tanks	707,020	-	-	707,020
Machinery and equipment	278,316	-	-	278,316
Vehicles	192,280	-	-	192,280
Less accumulated depreciation	<u>(2,791,580)</u>	<u>(138,532)</u>	<u>-</u>	<u>(2,930,112)</u>
Capital assets being depreciated, net	<u>2,410,112</u>	<u>(138,532)</u>	<u>-</u>	<u>2,271,580</u>
Total Business-Type Activities Capital Assets	<u>\$ 2,697,280</u>	<u>\$ (138,532)</u>	<u>\$ -</u>	<u>\$ 2,558,748</u>

Town of Parachute
Schedule of Town's Proportionate Share of Net Pension Asset/Liability
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
Year Ended December 31, 2020 (Measurement Date)

	2020	2019	2018	2017	2016
Town's portion of the net pension assets (liability)	0.35484%	0.03215%	0.04390%	0.03796%	0.04463%
Town's proportionate share of the net pension asset (liability)	\$ 22,801	\$ 18,185	\$ (55,502)	\$ 54,604	\$ (15,402)
Town's covered payroll	\$ 236,988	\$ 256,288	\$ 294,287	\$ 222,016	\$ 218,150
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	9.62%	7.10%	-18.86%	24.59%	-7.06%
Plan fiduciary net position as a percentage of the total pension assets/(liability)	106.70%	101.90%	95.20%	106.30%	98.21%

Note to Schedule

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

Town of Parachute
Schedule of Town's Contributions to Pension Plan
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 22,801	\$ 18,959	\$ 20,503	\$ 23,543	\$ 17,761
Contributions in relation to the contractually required contribution	<u>\$ 22,801</u>	<u>\$ 18,959</u>	<u>\$ 20,503</u>	<u>\$ 23,543</u>	<u>\$ 17,761</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 285,013	\$ 236,988	\$256,288	\$294,287	\$222,016
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%

Note to Schedule

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

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance
Revenues	Original	Final	Actual	Favorable (Unfavorable)
Property Tax	\$ 406,010	\$ 406,010	\$ 483,086	\$ 77,076
Sales Tax	1,907,890	1,907,890	2,124,522	216,632
Use Tax	75,000	75,000	16,493	(58,507)
Lodging Tax	67,500	67,500	107,692	40,192
Other Tax	8,000	8,000	12,139	4,139
Fines and Forfeitures	90,050	90,050	39,292	(50,758)
Licenses and Permits	41,350	41,350	99,962	58,612
State Mineral Severance	37,420	37,420	2,525	(34,895)
Sate Mineral Lease	33,410	33,410	172,718	139,308
State Grants	-	-	5,000	5,000
Miscellaneous	96,200	96,200	92,787	(3,413)
Interest	30,000	30,000	1,103	(28,897)
Total revenues	2,792,830	2,792,830	3,157,319	364,489
Expenditures				
Judicial	80,215	80,215	50,123	30,092
Executive and Legislative	588,790	724,010	562,867	161,143
Fiscal	62,080	62,080	54,760	7,320
Legal	50,000	50,000	37,243	12,757
Building	114,710	125,790	152,317	(26,527)
Community Development	558,310	558,310	378,426	179,884
Law Enforcement	590,010	590,010	610,146	(20,136)
Records Coordination	71,720	71,720	74,834	(3,114)
Engineering	40,000	40,000	85,031	(45,031)
Parks	222,070	246,780	195,112	51,668
Contributions	30,000	30,000	20,557	9,443
Total Expenditures	2,407,905	2,578,915	2,221,416	357,499
Excess of Revenues over (under) Expenditures	384,925	213,915	935,903	721,988
Other Financing Sources (Uses)				
Transfers (Out)	(509,050)	(509,050)	(509,050)	-
Change in available resources	(124,125)	(295,135)	426,853	721,988
Fund Balance, January 1	1,047,939	1,047,939	1,221,162	173,223
Fund Balance, December 31	\$ 923,814	\$ 752,804	\$ 1,648,015	\$ 895,211

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Reserve Fund
For the Year Ended December 31, 2021

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

**Town of Parachute
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 66,042	\$ 42,241	\$ 52,804	\$ 161,087
Accounts receivable	-	6,377	-	6,377
Total assets	<u><u>\$ 66,042</u></u>	<u><u>\$ 48,618</u></u>	<u><u>\$ 52,804</u></u>	<u><u>\$ 167,464</u></u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ -	\$ 910	\$ -	\$ 910
Accrued Payroll	-	3,186	-	3,186
Total liabilities	<u>-</u>	<u>4,096</u>	<u>-</u>	<u>4,096</u>
Fund balances:				
Unreserved:	66,042	44,522	52,804	163,368
Total fund balances	<u>66,042</u>	<u>44,522</u>	<u>52,804</u>	<u>163,368</u>
Total liabilities and fund balances	<u><u>\$ 66,042</u></u>	<u><u>\$ 48,618</u></u>	<u><u>\$ 52,804</u></u>	<u><u>\$ 167,464</u></u>

Town of Parachute
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 37,599	\$ -	\$ 37,599
Intergovernmental	57,397	54,765	78,022	190,184
Interest Income	1	1,533	-	1,534
Total revenues	<u>57,398</u>	<u>93,897</u>	<u>78,022</u>	<u>229,317</u>
EXPENDITURES				
Street and Alleys	-	227,641	-	227,641
Parks and Recreation	-	-	200,017	200,017
Total expenditures	<u>-</u>	<u>227,641</u>	<u>200,017</u>	<u>427,658</u>
Excess revenues over (under) expenditures	57,398	(133,744)	(121,995)	(198,341)
Other Financing Sources (Uses)				
Transfers in (out)	-	150,000	106,250	256,250
Other Financing Sources (Uses)	<u>-</u>	<u>150,000</u>	<u>106,250</u>	<u>256,250</u>
Net change in fund balance	57,398	16,256	(15,745)	57,909
Fund balance, January 1	<u>8,644</u>	<u>28,266</u>	<u>68,549</u>	<u>105,459</u>
Fund balance, December 31	<u>\$ 66,042</u>	<u>\$ 44,522</u>	<u>\$ 52,804</u>	<u>\$ 163,368</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Grants	\$ -	\$ -	\$ 140,253	\$ 140,253
Miscellaneous Revenue	-	-	-	-
Total revenues	-	-	140,253	140,253
Expenditures				
Capital Outlay	212,500	212,500	83,535	128,965
Total expenditures	212,500	212,500	83,535	128,965
Excess of Revenues over (under) Expenditures	(212,500)	(212,500)	56,718	11,288
Other Financing Sources (Uses)				
Transfers (out)	(25,220)	(25,220)	157,530	(182,750)
Change in available resources	(237,720)	(237,720)	214,248	451,968
Fund Balance, January 1	342,197	342,197	580,528	238,331
Fund Balance, December 31	\$ 104,477	\$ 104,477	\$ 794,776	\$ 690,299

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Lottery funds	\$ 6,000	\$ 6,000	\$ 7,397	\$ 1,397
Grants	-	-	50,000	50,000
Interest	-	-	1	1
Total revenues	6,000	6,000	57,398	51,398
Expenditures				
Capital Projects	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	6,000	6,000	57,398	51,398
Fund Balance, January 1	8,773	8,773	8,644	(129)
Fund Balance, December 31	\$ 14,773	\$ 14,773	\$ 66,042	\$ 51,269

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, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Taxes	\$ 37,000	\$ 37,000	\$ 37,599	\$ 599
Intergovernmental	44,940	44,940	54,765	9,825
Miscellaneous	1,000	1,000	1,533	533
Total revenues	82,940	82,940	93,897	10,957
Expenditures				
Street and Alleys	192,060	233,470	227,641	5,829
Total expenditures	192,060	233,470	227,641	5,829
Excess of Revenues over (under) Expenditures	(109,120)	(150,530)	(133,744)	16,786
Other Financing Sources (Uses)				
Transfers In/out	150,000	150,000	150,000	-
Change in available resources	40,880	(530)	16,256	16,786
Fund Balance, January 1	15,083	15,083	28,266	13,183
Fund Balance, December 31	\$ 55,963	\$ 14,553	\$ 44,522	\$ 29,969

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Grant Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Grant Revenues	\$ 1,030,140	\$ 1,030,140	\$ 78,022	\$ (952,118)
Total revenues	<u>1,030,140</u>	<u>1,030,140</u>	<u>78,022</u>	<u>(952,118)</u>
Expenditures				
Expenditures	1,319,140	1,319,140	200,017	1,119,123
Total expenditures	<u>1,319,140</u>	<u>1,319,140</u>	<u>200,017</u>	<u>1,119,123</u>
Excess of revenues over (under) expenditures	(289,000)	(289,000)	(121,995)	167,005
Other Financing Sources (Uses)				
Transfers (Out)	<u>289,000</u>	<u>289,000</u>	<u>106,250</u>	<u>182,750</u>
Change in available resources	-	-	(15,745)	(15,745)
Fund balance, January 1	<u>25,898</u>	<u>25,898</u>	<u>68,549</u>	<u>42,651</u>
Fund balance, December 31	<u>\$ 25,898</u>	<u>\$ 25,898</u>	<u>\$ 52,804</u>	<u>\$ 26,906</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ 370,050	\$ 370,050	\$ 440,550	\$ 70,500
Interest Income	45	45	49	4
Tap Fees	30,000	30,000	17,250	(12,750)
Miscellaneous	-	-	5,659	5,659
Total revenues	400,095	400,095	463,508	63,413
Expenditures				
Personnel	181,590	185,310	192,977	(7,667)
Office	700	700	1,541	(841)
Operations Supplies	22,100	22,100	8,533	13,567
Water	17,000	17,000	17,574	(574)
Repairs and Maintenance	91,500	91,500	41,859	49,641
Purchased Services	10,000	10,000	6,944	3,056
Insurance	10,270	10,270	10,270	-
Utilities	36,000	36,000	28,098	7,902
Professional Services	9,000	9,000	1,328	7,672
Other Expenses	5,200	5,200	11,873	(6,673)
Debt Service	117,295	117,295	31,159	86,136
Capital Outlay	57,000	57,000	46,000	11,000
Total expenditures	557,655	561,375	398,156	163,219
Excess of Revenues over (under) Expenditures	(157,560)	(161,280)	65,352	226,632
Change in available resources	(157,560)	(161,280)	65,352	226,632
Available resources, January 1	326,142	326,142	332,327	6,185
Available resources, December 31	\$ 168,582	\$ 164,862	\$ 397,679	\$ 232,817

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ 250,000	\$ 250,000	\$ 309,514	\$ 59,514
Tap Fees	15,000	15,000	13,500	(1,500)
Total revenues	265,000	265,000	323,014	58,014
Expenditures				
Personnel	41,480	45,460	46,406	(946)
Office	350	350	678	(328)
Operations Supplies	5,000	5,000	1,418	3,582
Treatment	150,000	150,000	143,205	6,795
Repairs and Maintenance	14,250	14,250	12,722	1,528
Purchased Services	2,530	2,530	1,911	619
Utilities	12,700	12,700	7,405	5,295
Professional Services	8,500	8,500	-	8,500
Other Expenses	5,500	5,500	7,120	(1,620)
Total expenditures	240,310	244,290	220,865	23,425
Change in available resources	24,690	20,710	102,149	81,439
Available Resources, January 1	123,332	65,498	117,090	51,592
Available Resources, December 31	\$ 148,022	\$ 86,208	\$ 219,239	\$ 133,031

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Garbage Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ 65,000	\$ 65,000	\$ 72,542	\$ 7,542
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>72,542</u>	<u>7,542</u>
Expenditures				
Contract Hauler	63,140	63,140	62,420	720
Total expenditures	<u>63,140</u>	<u>63,140</u>	<u>62,420</u>	<u>720</u>
Excess of Revenues over (under) Expenditures	1,860	1,860	10,122	8,262
Available resources, January 1	<u>57,028</u>	<u>57,028</u>	<u>52,498</u>	<u>(4,530)</u>
Available resources, December 31	<u>\$ 58,888</u>	<u>\$ 58,888</u>	<u>\$ 62,620</u>	<u>\$ 3,732</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Parks and Recreation Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ 36,000	\$ 36,000	\$ 21,179	\$ (14,821)
Total revenues	<u>36,000</u>	<u>36,000</u>	<u>21,179</u>	<u>(14,821)</u>
Expenditures				
Personnel	65,280	65,530	46,800	18,730
Office	3,000	3,000	2,264	736
Operations Supplies	10,750	10,750	7,182	3,568
Repairs and Maintenance	800	800	5,448	(4,648)
Purchased Services	500	500	3,150	(2,650)
Insurance	500	500	-	500
Utilities	1,600	1,600	1,969	(369)
Professional Services	1,000	1,000	-	1,000
Other Expenses	2,500	2,500	3,425	(925)
Total expenditures	<u>85,930</u>	<u>86,180</u>	<u>70,238</u>	<u>15,942</u>
Excess of Revenues over (under) Expenditures	(49,930)	(50,180)	(49,059)	1,121
Other Financing Sources (Uses)				
Transfers in	<u>8,600</u>	<u>8,600</u>	<u>8,600</u>	<u>-</u>
Change in available resources	(41,330)	(41,580)	(40,459)	1,121
Available resources, January 1	<u>48,322</u>	<u>48,322</u>	<u>49,098</u>	<u>776</u>
Available resources, December 31	<u>\$ 6,992</u>	<u>\$ 6,742</u>	<u>\$ 8,639</u>	<u>\$ 1,897</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Area Transit System Fund
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Grants	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Charges for Services	75,000	75,000	13,987	(61,013)
Total revenues	375,000	375,000	313,987	(61,013)
Expenditures				
Personnel	350,130	336,080	235,786	100,294
Operations Supplies	5,000	5,000	1,581	3,419
Repairs and Maintenance	8,000	8,000	7,393	607
Purchased Services	3,500	3,500	2,425	1,075
Insurance	2,130	2,130	2,130	-
Utilities	2,880	2,880	1,226	1,654
Professional Services	10,000	10,000	105	9,895
Other Expenses	41,700	41,700	41,122	578
Total expenditures	423,340	409,290	291,768	117,522
Excess of Revenues over (under) Expenditures	(48,340)	(34,290)	22,219	56,509
Other Financing Sources (Uses)				
Transfers in	86,670	86,670	86,670	-
Change in available resources	38,330	52,380	108,889	56,509
Available resources, January 1	147,593	147,593	62,287	(85,306)
Available resources, December 31	\$ 185,923	\$ 199,973	\$ 171,176	\$ (28,797)

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Parachute YEAR ENDING : Dec-21
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	150,000
3. Other local imposts (from page 2)	9,022
4. Miscellaneous local receipts (from page 2)	14,237
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)	173,259
B. Private Contributions	0
C. Receipts from State government (from page 2)	84,876
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	258,134

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	64,836
2. Maintenance:	8,472
3. Road and street services:	
a. Traffic control operations	45,236
b. Snow and ice removal	16,429
c. Other	18,581
d. Total (a. through c.)	80,246
4. General administration & miscellaneous	136,536
5. Highway law enforcement and safety	0
6. Total (1 through 5)	290,090
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)	290,090

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
	28,266	243,897	227,640	44,523	44,523

Notes and Comments:

Less Dola Grant in Capital Fund	-	
Less Traffic revenues in General fund	14,237.00	
Less striping and maintenance in capital fund		62,450.00

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): Dec-21	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	14,237
1. Sales Taxes	7,489	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	1,533	g. Other Misc. Receipts	0
6. Total (1. through 5.)	9,022	h. Other	0
c. Total (a. + b.)	9,022	i. Total (a. through h.)	14,237
(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	54,765	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	30,110	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.)	30,110	g. Total (a. through g.)	0
4. Total (1. + 2. + 3.f)	84,876	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		2,386	2,386
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		62,450	62,450
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	62,450	62,450
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	64,836	64,836
		(Carry forward to page 1)	

Notes and Comments:			
Capital outlay was paid from Capital Fund instead of Street Fund			
Engineering costs, capacity improvements and system preservation		62,450	
		-	
Traffic fines were received in General fund		14,237	