
Town of Parachute
Financial Statements and
Independent Auditor's Report
as of
December 31, 2023

Town of Parachute

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INDEPENDENT AUDITOR'S REPORT

To the 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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Certified Public Accountants

- 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 (pages 3-16), schedule of changes in net pension liability (page 44), schedule of contributions to pension plan (page 45), and budgetary comparison information (pages 46-49) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Parachute, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison information for enterprise funds, and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
July 23, 2024

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, 2023. 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 \$19,224,554 (net position) as of December 31, 2023.

➤ Total net position is comprised of the following:

Net investment in capital assets in the amount of \$12,257,315 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

Net position \$100,400 is restricted for emergency reserves.

Net position of \$6,866,839, which includes committed funds for capital projects, represents the portion available to maintain the Town's continuing obligations to citizens and creditors.

➤ The Town's governmental funds (the General, Streets and Alleys, Conservation Trust, and Capital Projects Funds) report a total ending fund balance of \$5,517,726 this year. This compares to the prior year ending fund balance of \$5,525,834, a decrease of \$8,108.

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 \$19,224,554. The following tables provide a summary of the Town's net position for 2023.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current Assets	\$ 6,408,519	\$ 5,299,604	\$ 1,447,832	\$ 1,203,950	\$ 7,856,351	\$ 6,503,554
Capital Assets	9,851,114	10,090,553	2,581,628	2,468,684	12,432,742	12,559,237
Total Assets	<u>16,259,633</u>	<u>15,390,157</u>	<u>4,029,460</u>	<u>3,672,634</u>	<u>20,289,093</u>	<u>19,062,791</u>
Deferred Outflows of Resources	<u>213,123</u>	<u>107,973</u>	<u>-</u>	<u>-</u>	<u>213,123</u>	<u>107,973</u>
Liabilities:						
Current Liabilities	422,879	226,803	90,892	105,514	513,771	332,317
Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>175,427</u>	<u>175,415</u>	<u>175,427</u>	<u>175,415</u>
Total Liabilities	<u>422,879</u>	<u>226,803</u>	<u>266,319</u>	<u>280,929</u>	<u>689,198</u>	<u>507,732</u>
Deferred Inflow of Resources	<u>588,464</u>	<u>611,976</u>	<u>-</u>	<u>-</u>	<u>588,464</u>	<u>611,976</u>
Net Position:						
Net Investment in Capital Assets	9,851,114	9,733,583	2,406,201	2,271,045	12,257,315	12,004,628
Restricted	100,400	202,600	-	-	100,400	202,600
Unrestricted	<u>5,509,899</u>	<u>4,723,168</u>	<u>1,356,940</u>	<u>1,120,660</u>	<u>6,866,839</u>	<u>5,843,828</u>
Total Net Position	<u>\$ 15,461,413</u>	<u>\$ 14,659,351</u>	<u>\$ 3,763,141</u>	<u>\$ 3,391,705</u>	<u>\$ 19,224,554</u>	<u>\$ 18,051,056</u>

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

In 2023, revenues in the various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2023.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 116,862	\$ 190,055	\$ 897,097	\$ 894,059	\$ 1,013,959	\$ 1,084,114
Operating Grants	101,169	98,438	5,325	101,316	106,494	199,754
Capital Grants	410,830	349,717	351,370	250,000	762,200	599,717
General Revenues						
Property Taxes	484,562	393,697	-	-	484,562	393,697
Intergovernmental	469,892	265,770	-	-	469,892	265,770
Oil & Gas Lease	44,678	86,324	-	-	44,678	86,324
Sales Taxes and Other	2,913,452	2,791,239	-	-	2,913,452	2,791,239
Franchise Taxes	2,146	2,363	-	-	2,146	2,363
Miscellaneous	85,680	21,561	-	-	85,680	21,561
Interest Income	189,125	40,004	7,112	61	196,237	40,065
Gain on Sale of Assets	(161,417)	55,700	-	-	(161,417)	55,700
Transfers In (Out)	(355,506)	(100,000)	355,506	100,000	-	-
Total Revenues	4,301,473	4,194,868	1,616,410	1,345,436	5,917,883	5,540,304
Expenses						
General Government	1,393,232	1,529,442	-	-	1,393,232	1,529,442
Public Safety	813,294	605,958	-	-	813,294	605,958
Highways & Streets	1,240,572	1,069,727	-	-	1,240,572	1,069,727
Culture & Recreation	746,637	450,118	-	3,536	746,637	453,654
Water	-	-	525,679	462,320	525,679	462,320
Wastewater	-	-	326,749	277,923	326,749	277,923
Garbage	-	-	68,736	67,029	68,736	67,029
Area Transit System	-	-	323,810	341,341	323,810	341,341
Total Expenses	4,193,735	3,655,245	1,244,974	1,152,149	5,438,709	4,807,394
Increase (Decrease) In Net Position	107,738	539,623	371,436	193,287	479,174	732,910
Residual Transfer	-	-	-	-	-	-
Net Position - Beginning	15,353,675	14,814,052	3,391,705	3,198,418	18,745,380	18,012,470
Net Position - Ending	<u>\$ 15,461,413</u>	<u>\$ 15,353,675</u>	<u>\$ 3,763,141</u>	<u>\$ 3,391,705</u>	<u>\$ 19,224,554</u>	<u>\$ 18,745,380</u>

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2023, taxes equaled \$3,400,160 or 79% of total revenues of \$4,301,473 for the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs increased \$538,490, an increase of 13% when compared to 2022. Public Safety comprises 19% of the Town's total governmental expenses, General Government at 33%, Highways and Street at 30%, Culture and Recreation at 18%.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

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

As of December 31, 2023, the total fund balances of the Town's governmental funds were \$5,517,726. Approximately 42% 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 (\$100,400), (2) capital reserves (\$681,972), (3) reserve for future operations (\$2,300,516), (4) Parks and Open Space (\$29,091) and (5) Streets and Alleys (\$70,487). The Town had Governmental revenues and other financing sources of \$4,301,473 and expenditures of \$4,193,735.

Proprietary Funds

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

As of December 31, 2023, the total net position of the Town's proprietary funds was \$3,763,141. Approximately 36% or \$1,356,940 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 (\$2,406,201). The Town had Proprietary operating revenues, non-operating revenues, and contributions of \$1,616,410 and operating expenses and non-operating expenses of \$1,244,974.

Budgetary Highlights

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

	Original Appropriation	Amendments	Revised Appropriation	Actual Expenditures
General Fund	\$ 3,759,525	\$ 52,500	\$ 3,812,025	\$ 3,599,366
Streets and Alleys Fund	311,630	33,407	345,037	326,867
Conservation Trust Fund	30,000	-	30,000	11,607
Grant Fund	435,000	603,233	1,038,233	733,490
Reserve Fund	-	-	-	-
Parachute Capital Improvement Fund	2,576,752	(828,716)	1,748,036	1,380,711
Water Fund	888,360	168,969	1,057,329	679,195
Wastwater Fund	412,055	23,200	435,255	338,045
Garbage Fund	70,184	5,000	75,184	68,736
Parachute Area Transit System	333,190	67,218	400,408	297,155
Parks and Recreation Fund	-	-	-	-
	<u>\$ 8,816,696</u>	<u>\$ 124,811</u>	<u>\$ 8,941,507</u>	<u>\$ 7,435,172</u>

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2023, was \$9,851,114 for governmental activities and \$2,581,622 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004. The following tables provide a summary of capital asset activity.

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,298,368	\$ -	\$ (177,365)	\$ 3,121,003
Total Capital Assets Not Being Depreciated	<u>3,298,368</u>	<u>-</u>	<u>(177,365)</u>	<u>3,121,003</u>
Depreciable Capital Assets:				
Buildings	4,523,793	111,776	(18,321)	4,617,248
Improvements/infrastructure	8,214,451	728,032	-	8,942,483
Furniture and equipment	315,121	-	(71,490)	243,631
Machinery and equipment	791,809	136,805	(150,897)	777,717
Vehicles	997,794	106,336	(175,891)	928,239
Total Depreciable Capital Assets	<u>14,842,968</u>	<u>1,082,949</u>	<u>(416,599)</u>	<u>15,509,318</u>
Accumulated Depreciation:				
Buildings	(1,519,323)	(120,738)	18,321	(1,621,740)
Improvements/infrastructure	(5,339,817)	(489,240)	-	(5,829,057)
Furniture and equipment	(264,778)	(23,713)	71,490	(217,001)
Machinery and equipment	(527,080)	(44,036)	129,445	(441,671)
Vehicles	(756,754)	(88,875)	175,891	(669,738)
Total Accumulated Depreciation	<u>(8,407,752)</u>	<u>(766,602)</u>	<u>395,147</u>	<u>(8,779,207)</u>
Net Depreciable Capital Assets	<u>6,435,216</u>	<u>316,347</u>	<u>(21,452)</u>	<u>6,730,111</u>
Total Net Governmental Activities	<u>\$ 9,733,584</u>	<u>\$ 316,347</u>	<u>\$ (198,817)</u>	<u>\$ 9,851,114</u>

Business - Type Activities	Beginning Balance	Additions	Dispositions	Ending Balance
Capital Assets Not Being Depreciated:				
Land and water rights	\$ 287,168	\$ -	\$ -	\$ 287,168
Total Capital Assets Not Being Depreciated	287,168	-	-	287,168
Depreciable Capital Assets:				
Water utility system	2,845,090	193,535	-	3,038,625
Wastewater utility system	1,019,132	-	-	1,019,132
Water and storage tanks	834,643	13,500	-	848,143
Machinery and equipment	278,316	48,454	-	326,770
Vehicles	218,700	-	-	218,700
Total Depreciable Capital Assets	5,195,881	255,489	-	5,451,370
Accumulated Depreciation:				
Water Utility System	(1,654,949)	(60,981)	-	(1,715,930)
Wastewater System	(759,084)	(24,232)	-	(783,316)
Water Storage Tanks	(232,903)	(16,448)	-	(249,351)
Machinery & Equipment	(245,111)	(1,302)	-	(246,413)
Vehicles	(122,324)	(39,582)	-	(161,906)
Total Accumulated Depreciation	(3,014,371)	(142,545)	-	(3,156,916)
Net Depreciable Capital Assets	2,181,510	112,944	-	2,294,454
Total Business-Type Activities	\$ 2,468,678	\$ 112,944	\$ -	\$ 2,581,622

On December 31, 2023, the depreciable capital assets for governmental activities were 57% depreciated. As for the Town's business-type activities, 58% of the asset values were depreciated on December 31, 2023.

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

Long-term Debt

During the year ended December 31, 2023, the Town did not enter any new capital leases. The Town has an existing note payable with Alpine Bank and borrowed an additional \$175,000 for the Water fund. Monthly payments of \$1089.21 began in 2018 and existing annual payment of \$17,922 was paid in April.

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

Grant Funding / Awarded Projects

The Town of Parachute continues to receive grant funding for projects and other purposes. During 2023, the Town of Parachute received or was awarded grant funds for local projects, as follows:

GCFMLD..... \$710,000

The Town received funding from Garfield County Federal Mineral Leasing District (GCFMLD) through four different grant awards for various projects: acquisition of a Police Vehicle, acquisition of a Public Works utility pothole machine, construction of park improvements at Wasson McKay Park, and the construction of streetscape improvements on Cardinal Way and CR 300.

CDOT MMOF \$150,000

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

DOLA \$25,000

The Town was awarded an administrative planning grant that will be used for a comprehensive utility financial plan and rate study in 2024.

Garfield County \$250,000

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

City of Rifle \$40,000

In 2023, the City of Rifle also committed to contributing funds and investing in the operation of the PATS transit system.

SWOT Analysis

Strengths, Weaknesses, Opportunities and Threats for the Town

Strengths

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

Additional strengths identified:

- Location – the Town’s proximity to both Glenwood Springs and Grand Junction makes both cities accessible for shopping and other business.
 - Parachute can be considered the Day Trip Destination – Many destinations, both east and west are within a two-hour drive from the Town. Moab, UT; Fruita, Grand Junction; Colorado Monument; DeBeque (Book Cliffs and Wild Horse area); Rifle; Glenwood Springs; Aspen; and Vail.
 - Parachutes also have 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.
- Housing Affordability – the lack of housing for the workforce has become a crisis for a lot of communities and has stifled growth. Parachute, meanwhile, remains a final remaining market in the region where real estate prices remain attainable for working class residents.
- Community Partnerships – the region has a strong collection of neighboring agencies and governmental entities that collect their own revenues to provide public services and improve the overall quality of life in the community. Examples include the Grand Valley Fire Protection District, Parachute Battlement Mesa Parks & Recreation District, the Garfield County Library District, and the Grand River Hospital District.

Weaknesses

- Single-based (natural gas) economy – The weakness of the natural gas economy continues to strengthen with the approval of Senate Bill 19-181 and the new rules for the Colorado Oil and Gas Conservation Commission (COGCC). The industry will now have to abide by much more and stricter regulations enforced by the State of Colorado.
- Lack of retail and entertainment amenities – There is currently a lack of amenities and entertainment, particularly for young professionals, in the area. For several years, the Town has focused efforts towards providing additional outdoor activities for residents and visitors.
- Small population - Population is growing slowly, and there are limited areas that are slated for residential development within the Town of Parachute. Several large subdivisions are planned for construction in Battlement Mesa.
- As a smaller town, there may be limitations in terms of financial and human resources, which can impact the speed and scale of development projects.
- Most of the Town and Town infrastructure was developed around the same time in the 70's and 80's in response to the oil shale boom. Many of the systems and infrastructure that was built during this time period are aging and may require significant investment to maintain and replace in the coming years.

Opportunities

- New Development - Love's Travel Stops has completed construction of a new travel center, convenience store, McDonald's, and Chester's Chicken. It opened in June 2023. The Gateway / Parachute Inn is a ~70-unit housing development with two commercial spaces. It is expected to break ground in 2024.
- The newly established Parachute Urban Renewal Authority, which has the ability to attract new types of development and leverage TIF district revenues to promote economic growth and housing projects.
- Potential Future Development – the Town has an abundance of vacant lots that are prime for commercial, manufacturing, and industrial businesses, including the area located around the West Parachute I70 interchange.
- Sodium bicarbonate mineral deposits (soda ash industry) – Natural Soda Inc. is sitting on top of the resource. The identified resource has an expected life of several hundred years at the current mining level. The potential is here to easily double, or even triple current capacity as the market and investors allow.
- Potential Oil Shale extraction companies – Caerus Oil and Gas LLC and Terra Energy Partners have acquired most of the industry property and assets in the area. Both XTO (Exxon) and Ursa have sold their assets and are no longer in the area. Hopefully, the smaller independent companies can be more nimble/flexible and able to begin exploration drilling in the near future.

- Recreation and Tourism potential – The Town adopted its first ever trails master plan in June 2023, with the help of funding from Garfield County. Projects have continued in 2024 toward development of new outdoor recreation opportunities for the community and guests, including the Town-owned parcels in northwest portion of the Town adjacent to Bureau of Land Management (BLM) acreage.
- Medical and recreational marijuana dispensaries and grow facilities – Six (6) recreational retail shops are operating within the Town. This brings in sales tax revenue that allows the Town to continue operations and improve the Town through match dollars for grants.

Threats

- Commodity Prices / Inflation – As inflation and the cost of construction continues to grow, potential development in the Town becomes less attractive. This is especially true for traditional brick-and-mortar retail locations, which are lacking in the region.
- Changes in state or federal regulations that could impact funding, development projects, or operational procedures of oil and natural gas industries.
- Front range competing formations – Exploration drilling for natural gas is inherently more expensive in the mountain than on the Front Range. Once drilling resumes, the less expensive operations will be the first to start up again.
- Drought and Natural Disasters – The Town has an abundance of water rights and a resilient supply through both the Colorado River and Revel Springs intakes. However, prolonged drought and the threat of natural disasters, such as wildfires, could threaten the Town.
- Regional Competition and Cannabis Market Uncertainty – The City of Grand Junction approved retail marijuana stores in 2022, and the first locations opened in late 2023. This is likely to create added competition in a crowded market, and it will likely take some of the market share from the marijuana stores located in Parachute. This, in addition to the declining value of cannabis, has led to a declining trend in the overall tax revenues generated from the market.

Financial Planning and Resilience

The Town has diligently worked to secure its financial future through comprehensive fiscal planning and analysis. A thorough evaluation of our assets was completed in 2023 and 2024, and we have developed a robust asset management plan that ensures the optimal use and maintenance of town resources. We conducted detailed street condition assessments to prioritize infrastructure improvements and maximize the lifespan of our roadways. Additionally, a rate study was performed to ensure that the Town is collecting sufficient resources to remain financially solvent in the long term. These proactive measures demonstrate our commitment to sustainable fiscal management and the continued prosperity of our community.

In 2023, the Town raised its utility rates and fees approximately 4%. In 2024, the Town of Parachute is considering asking voters for a .5% sales tax increase to help fund the Town's Street and Alley Fund. The increase is estimated to generate an additional \$300,000 annually for streets, capital, and other major maintenance projects in the Town.

Economic Development Strategy

In June 2022, the Town adopted an update to the Comprehensive Master Plan. Following the review of current conditions and an overall assessment of the Town Land Use Code, staff commenced a re-write of our regulations to promote Economic Diversification and Resilience. The updated land use regulations were adopted in March 2024.

Parachute’s ongoing 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 indicate a fair amount of commerce leaving the Town of Parachute. This economic development strategy will focus on businesses and jobs that serve to capture and/or reduce the top five leakages:

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

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

Public/Private Partnerships for Investment

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

A high priority of the Town is the development of a high-speed Internet network. The Town is working with Garfield County and Garfield School District 16 to create a middle mile network of fiber optic cable throughout the community that can be leveraged by private Internet Service Providers (ISPs). Construction of a Carrier Neutral Location (CNL) began in 2023 and was completed in 2024.

In 2022, the Town Council approved an agreement with Cheryl & Co Real Estate to co-manage and operate a community Co-Workspace. The Co-Workspace, formally known as “The Drop In,” is open to the public, organizations, and individuals that are looking for short term office and event space. The Drop In opened in 2023.

Also in 2022, the Town entered into an agreement with Grand Junction Adventures to operate TOP Adventures. Now known as Parachute Adventures, the river rental business in Parachute is now run and managed by Grand Junction Adventures, who offers daily rentals and guided trips throughout Western Colorado. Parachute Adventures is now open for their third season this year in 2024.

Urban Renewal (URA) and Revitalization

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

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

In 2023, the Town utilized a group of business stakeholders and community members and successfully adopted a Downtown Development Plan for the 1st Street corridor. This plan, and the capital projects that are included, have served as a foundation for the creation of the Parachute URA, which could lead to future funding opportunities to finance significant capital investments in the corridor. The Town also commenced a series of short-term improvements to beautify the downtown corridor in 2024. Four parklet areas, pedestrian bulb outs, planters, and other improvements will be completed in the summer of 2024 and remain in place until permanent improvements are constructed in the future.

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 tbecraft@parachute.gov or at 222 Grand Valley Way Parachute, CO 81635.

BASIC FINANCIAL STATEMENTS

Town of Parachute
Statement of Net Position
December 31, 2023

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,049,285	\$ 1,361,992	\$ 6,411,277
Property Taxes Receivable	584,734	-	584,734
Accounts Receivable	751,983	85,840	837,823
Inventory	22,517	-	22,517
Capital assets			
Nondepreciable	3,121,003	287,168	3,408,171
Depreciable, net of accumulated depreciation	6,730,111	2,294,460	9,024,571
Total assets	<u>16,259,633</u>	<u>4,029,460</u>	<u>20,289,093</u>
DEFERRED OUTFLOWS			
Deferred outflows of resources related to pensions	213,123	-	213,123
Total Deferred outflows	<u>213,123</u>	<u>-</u>	<u>213,123</u>
LIABILITIES			
Accounts Payable	266,624	44,891	311,515
Accrued payroll	39,435	14,426	53,861
Accrued compensated absences	86,429	29,992	116,421
Unearned revenues	-	1,583	1,583
Noncurrent liabilities:			
Due within one year	-	24,010	24,010
Due more than one year:	-	151,417	151,417
Net pension liability	30,391	-	30,391
Total liabilities	<u>422,879</u>	<u>266,319</u>	<u>689,198</u>
Deferred inflows of resources			
Deferred property taxes	584,734	-	584,734
Deferred inflows of resources related to pensions	3,730	-	3,730
Total Deferred inflows of resources	<u>588,464</u>	<u>-</u>	<u>588,464</u>
NET POSITION			
Invested in capital assets	9,851,114	2,406,201	12,257,315
Restricted for:			
Tabor	100,400	-	100,400
Unrestricted	5,509,899	1,356,940	6,866,839
Total net position	<u>\$ 15,461,413</u>	<u>\$ 3,763,141</u>	<u>\$ 19,224,554</u>

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Primary Government		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,393,232	\$ 93,071	\$ -	\$ 410,830	\$ (889,331)	\$ -	\$ (889,331)
Public Safety	813,294	15,113	-	-	(798,181)	-	(798,181)
Highway and Streets	1,240,572	-	91,453	-	(1,149,119)	-	(1,149,119)
Culture and Recreation	746,637	8,678	9,716	-	(728,243)	-	(728,243)
Total governmental activities	4,193,735	116,862	101,169	410,830	(3,564,874)	-	(3,564,874)
Business-type activities:							
Water	525,679	466,363	5,325	101,370	-	47,379	47,379
Wastewater	326,749	337,696	-	-	-	10,947	10,947
Garbage	68,736	74,096	-	-	-	5,360	5,360
Parks and Recreation	-	-	-	-	-	-	-
Area Transit System	323,810	18,942	-	250,000	-	(54,868)	(54,868)
Total business- type activities	1,244,974	897,097	5,325	351,370	-	8,818	8,818
Total primary government	\$ 5,438,709	\$ 1,013,959	\$ 106,494	\$ 762,200	(3,564,874)	8,818	(3,556,056)
General Revenues							
Taxes:							
Sales and Use tax					2,761,429	-	2,761,429
Property Tax					484,562	-	484,562
Franchise taxes					2,146	-	2,146
Other Tax					152,023	-	152,023
Intergovernmental					469,892	-	469,892
Oil and Gas Lease					44,678	-	44,678
Unrestricted investment earnings					189,125	7,112	196,237
Miscellaneous					85,680	-	85,680
Gain (Loss) on sale of assets					(161,417)	-	(161,417)
Transfers In (out)					(355,506)	355,506	-
Total General Revenues and Transfers					3,672,612	362,618	4,035,230
Changes in Net Position					107,738	371,436	479,174
Net Position-January 1					15,353,675	3,391,705	18,745,380
Net Position-December 31					\$ 15,461,413	\$ 3,763,141	\$ 19,224,554

The accompanying notes are an integral part of this statement.

**Town of Parachute
Governmental Funds
Balance Sheet
December 31, 2023**

	General Fund	Reserve Fund	Grant Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 2,169,032	\$ 2,207,512	\$ 8,161	\$ 567,285	\$ 97,295	\$ 5,049,285
Property Taxes Receivable	584,734	-	-	-	-	584,734
Accounts Receivable	412,371	-	129,292	203,539	6,781	751,983
Inventory	22,517	-	-	-	-	22,517
Total assets	<u>\$ 3,188,654</u>	<u>\$ 2,207,512</u>	<u>\$ 137,453</u>	<u>\$ 770,824</u>	<u>\$ 104,076</u>	<u>\$ 6,408,519</u>
Liabilities						
Accounts Payable	\$ 132,846	\$ -	\$ 44,449	\$ 88,852	\$ 477	\$ 266,624
Accrued Payroll	35,414	-	-	-	4,021	39,435
Total Liabilities	<u>168,260</u>	<u>-</u>	<u>44,449</u>	<u>88,852</u>	<u>4,498</u>	<u>306,059</u>
Deferred inflows of resources						
Deferred property taxes	584,734	-	-	-	-	584,734
Total Deferred inflows of resources	<u>584,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,734</u>
Fund Balance						
Restricted						
Parks and Open Space	-	-	-	-	29,091	29,091
Emergency Reserves	100,400	-	-	-	-	100,400
Assigned						
Future Operations	-	2,207,512	93,004	-	-	2,300,516
Streets and Alleys	-	-	-	-	70,487	70,487
Capital Projects	-	-	-	681,972	-	681,972
Unassigned	<u>2,335,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,335,260</u>
Total Fund Equity	<u>2,435,660</u>	<u>2,207,512</u>	<u>93,004</u>	<u>681,972</u>	<u>99,578</u>	<u>5,517,726</u>
Total Liabilities, deferred inflows of resources and fund equity	<u>\$ 3,188,654</u>	<u>\$ 2,207,512</u>	<u>\$ 137,453</u>	<u>\$ 770,824</u>	<u>\$ 104,076</u>	<u>\$ 6,408,519</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, 2023

Total fund balance, governmental funds \$ 5,517,726

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

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

Cost of capital assets	\$ 18,630,321	
Less accumulated depreciation	<u>(8,779,207)</u>	9,851,114

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	(86,429)
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Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.	179,002
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Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 15,461,413</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, 2023

	General Fund	Reserve Fund	Grant Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 3,400,154	\$ -	\$ -	\$ -	\$ 40,893	\$ 3,441,047
Licenses/Permits	60,328	-	-	-	60,276	120,604
Intergovernmental	479,434	129,712	191,635	209,653	-	1,010,434
Fines and Forfeitures	34,205	-	-	-	-	34,205
Gain on Sale of Assets	-	-	-	37,400	-	37,400
Miscellaneous	131,308	-	-	19,366	3,005	153,679
Interest	58,424	-	-	-	-	58,424
Total revenues	4,163,853	129,712	191,635	266,419	104,174	4,855,793
EXPENDITURES						
Current:						
Executive	122,628	-	-	-	-	122,628
Finance	289,432	-	-	-	-	289,432
Town Clerk	120,703	-	-	-	-	120,703
Police Department	704,062	-	-	-	-	704,062
Records	84,183	-	-	-	-	84,183
Community Development	170,234	-	-	-	-	170,234
Economic Development	288,794	-	-	-	-	288,794
Building Maintenance	155,362	-	-	-	-	155,362
Parks	302,390	-	-	-	-	302,390
Contributions	24,902	-	-	-	-	24,902
Other Departments	261,583	-	-	-	-	261,583
Streets and Alleys	-	-	-	-	326,867	326,867
Capital Outlay	4,553	-	733,490	907,605	11,607	1,657,255
Total expenditures	2,528,826	-	733,490	907,605	338,474	4,508,395
Excess of Revenues over (under) Expenditures	1,635,027	129,712	(541,855)	(641,186)	(234,300)	347,398
Other Financing Sources (Uses)						
Transfers In (Out)	(1,070,540)	540	230,000	254,494	230,000	(355,506)
Change in available resources	564,487	130,252	(311,855)	(386,692)	(4,300)	(8,108)
Fund Balances- January 1	1,871,173	2,077,260	404,859	1,068,664	103,878	5,525,834
Fund Balances- December 31	\$ 2,435,660	\$ 2,207,512	\$ 93,004	\$ 681,972	\$ 99,578	\$ 5,517,726

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, 2023

Net change in fund balances - total governmental funds **\$ (8,108)**

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 capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 1,082,949	
Depreciation expense	<u>(766,602)</u>	
Excess of capital outlay over depreciation		316,347

The net effect of various transactions involving capital assets (i.e. sales, trades and disposals) is to decrease net position. (198,817)

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		(15,234)
Pension expenses not in current year		<u>13,550</u>

Change in net position of governmental funds **\$ 107,738**

The accompanying notes are an integral part of this statement.

**Town of Parachute
Statement of Net Position
Enterprise Funds
December 31, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>	<u>Parks and Recreation</u>	<u>Area Transit System</u>	<u>Total Enterprise Funds</u>
ASSETS						
Current Assets:						
Cash	\$ 706,327	\$ 317,295	\$ 72,466	\$ 5,859	\$ 260,045	\$ 1,361,992
Accounts receivable, net	43,978	32,849	9,013	-	-	85,840
Total current assets	<u>750,305</u>	<u>350,144</u>	<u>81,479</u>	<u>5,859</u>	<u>260,045</u>	<u>1,447,832</u>
Capital assets:						
Water Shares	282,101	-	-	-	-	282,101
Land	4,095	972	-	-	-	5,067
Property, plant and Equipment	4,091,511	1,226,585	-	-	133,276	5,451,372
Less accumulated depreciation	(2,138,118)	(929,385)	-	-	(89,409)	(3,156,912)
Total capital assets	<u>2,239,589</u>	<u>298,172</u>	<u>-</u>	<u>-</u>	<u>43,867</u>	<u>2,581,628</u>
Total Assets	<u><u>\$ 2,989,894</u></u>	<u><u>\$ 648,316</u></u>	<u><u>\$ 81,479</u></u>	<u><u>\$ 5,859</u></u>	<u><u>\$ 303,912</u></u>	<u><u>\$ 4,029,460</u></u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 18,058	\$ 20,476	\$ 5,736	\$ -	\$ 621	\$ 44,891
Accrued payroll	6,486	2,086	-	76	5,778	14,426
Accrued compensated absences	13,807	4,225	-	680	11,280	29,992
Unearned revenues	1,583	-	-	-	-	1,583
Notes Payable	24,010	-	-	-	-	24,010
Total current liabilities	<u>63,944</u>	<u>26,787</u>	<u>5,736</u>	<u>756</u>	<u>17,679</u>	<u>114,902</u>
Noncurrent Liabilities						
Notes Payable	151,417	-	-	-	-	151,417
Total noncurrent liabilities	<u>151,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,417</u>
Net Position						
Invested in capital assets, net of related debt	2,064,162	298,172	-	-	43,867	2,406,201
Unrestricted	710,371	323,357	75,743	5,103	242,366	1,356,940
Total Net Position	<u><u>\$ 2,774,533</u></u>	<u><u>\$ 621,529</u></u>	<u><u>\$ 75,743</u></u>	<u><u>\$ 5,103</u></u>	<u><u>\$ 286,233</u></u>	<u><u>\$ 3,763,141</u></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, 2023

	<u>Water</u>	<u>Wastewater</u>	<u>Garbage</u>	<u>Parks and Recreation</u>	<u>Area Transit System</u>	<u>Total</u>
Operating Revenues						
Charges for services	\$ 465,144	\$ 331,260	\$ 74,096	\$ -	\$ 17,480	\$ 887,980
Other	1,219	6,436	-	-	1,462	9,117
Total operating revenues	<u>466,363</u>	<u>337,696</u>	<u>74,096</u>	<u>-</u>	<u>18,942</u>	<u>897,097</u>
Operating Expenses						
Operations	212,425	213,092	68,736	-	54,024	548,277
Personnel	224,050	76,498	-	-	243,131	543,679
Depreciation	78,731	37,159	-	-	26,655	142,545
Total operating expenses	<u>515,206</u>	<u>326,749</u>	<u>68,736</u>	<u>-</u>	<u>323,810</u>	<u>1,234,501</u>
Operating income (loss)	<u>(48,843)</u>	<u>10,947</u>	<u>5,360</u>	<u>-</u>	<u>(304,868)</u>	<u>(337,404)</u>
Nonoperating revenues (expenses)						
Interest income	2,643	3,065	1,404	-	-	7,112
Interest expense	(10,473)	-	-	-	-	(10,473)
Total nonoperating revenues (expenses)	<u>(7,830)</u>	<u>3,065</u>	<u>1,404</u>	<u>-</u>	<u>-</u>	<u>(3,361)</u>
						-
Income (loss) before transfers and and Capital Contributions	<u>(56,673)</u>	<u>14,012</u>	<u>6,764</u>	<u>-</u>	<u>(304,868)</u>	<u>(340,765)</u>
Contributions and Transfers						
Transfers	280,506	-	-	-	75,000	355,506
Grants	101,370	-	-	-	250,000	351,370
Tap Fees	5,325	-	-	-	-	5,325
Total Contributions and Transfers	<u>387,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,000</u>	<u>712,201</u>
Change in net position	<u>330,528</u>	<u>14,012</u>	<u>6,764</u>	<u>-</u>	<u>20,132</u>	<u>371,436</u>
Total net position, January 1	<u>2,444,005</u>	<u>607,517</u>	<u>68,979</u>	<u>5,103</u>	<u>266,101</u>	<u>3,391,705</u>
Total net position, December 31	<u>\$ 2,774,533</u>	<u>\$ 621,529</u>	<u>\$ 75,743</u>	<u>\$ 5,103</u>	<u>\$ 286,233</u>	<u>\$ 3,763,141</u>

The accompanying notes are an integral part of this statement.

**Town of Parachute
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2023**

	Water	Wastewater	Garbage	Parks and Recreation	Area Transit System	Total Enterprise Funds
Cash Flows From Operating Activities						
Cash received from customer and others	\$ 467,037	\$ 336,199	\$ 74,775	\$ -	\$ 18,942	\$ 896,953
Cash payments for personnel	(208,006)	(212,093)	(68,736)	-	(51,770)	(540,605)
Cash payments for goods and services	(220,713)	(68,936)	24	-	(251,507)	(541,132)
Net cash provided (used) by operating activities	38,318	55,170	6,063	-	(284,335)	(184,784)
Cash Flows from Noncapital Financing Activities						
Transfers	280,506	-	-	-	75,000	355,506
Tap fees	5,325	-	-	-	-	5,325
Net cash provided (used) by noncapital financing activities	285,831	-	-	-	75,000	360,831
Cash Flows from Capital and Related Financing Activities						
Receipt of capital grants	101,370	-	-	-	250,000	351,370
Acquisition and construction of capital assets	(207,035)	(48,455)	-	-	-	(255,490)
Long term debt payment- principal	(22,212)	-	-	-	-	(22,212)
Long term debt payment- interest	(10,473)	-	-	-	-	(10,473)
Net cash provided (used) by capital and related financing activities	(138,350)	(48,455)	-	-	250,000	63,195
Cash Flows from Investing Activities						
Interest on investments	2,643	3,065	1,404	-	-	7,112
Net Cash provided by Investing Activities	2,643	3,065	1,404	-	-	7,112
Net increase (decrease) in cash and equivalents	188,442	9,780	7,467	-	40,665	246,354
Cash balances, January 1	517,885	307,515	64,999	5,859	219,380	1,115,638
Cash balances, December 31	\$ 706,327	\$ 317,295	\$ 72,466	\$ 5,859	\$ 260,045	\$ 1,361,992
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (48,843)	\$ 10,947	\$ 5,360	\$ -	\$ (304,868)	\$ (337,404)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	78,731	37,159	-	-	26,655	142,545
Assets (increase) decrease:						
Accounts receivables	3,292	(1,497)	679	-	-	2,474
Liabilities increase (decrease):						
Accounts payable	3,337	7,562	24	-	(8,376)	2,547
Accrued payroll	1,402	390	-	-	(37)	1,755
Accrued compensated absences	3,017	609	-	-	2,291	5,917
Unearned revenues	(2,618)	-	-	-	-	(2,618)
Total adjustments	87,161	44,223	703	-	20,533	152,620
Net cash provided (used) by operating activities	\$ 38,318	\$ 55,170	\$ 6,063	\$ -	\$ (284,335)	\$ (184,784)

The accompanying notes are an integral part of this statement.

Town of Parachute
Notes to the Financial Statements
December 31, 2023

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, 2023

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.
- The Grant Fund is utilized to account for grants received from external entities to be used in the construction or purchase of capital assets.

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, 2023

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, 2023, 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 2023 was \$100,400.

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, 2023

Note 4 - Budgets (continued)

- G. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There were revisions made to the original budgeted expenditures for the General, Streets and Alley, Grant, Capital, and Water Funds for the year ending December 31, 2023.
- 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, 2023, the bank balance of the Town's deposits was \$4,059,852 of which \$250,000 was covered by federal depository insurance and \$3,809,852 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, 2023, the Town's investments included funds held in government Colotrust.

The Town had invested \$2,445,617 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, 2023

Note 5 - Deposits and Investments (continued)

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

The composition of all cash and cash investments held by the Town at December 31, 2023 is as follows:

Cash on hand	\$ 398
Cash in bank	3,965,262
Colotrust	<u>2,445,617</u>
Total cash and investments	<u>\$ 6,411,277</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 2023:

Funds	Transfers	
	In	Out
General Fund	\$ -	\$ 1,070,540
Reserve Fund	540	-
Grant Fund	230,000	-
Capital Improvement Fund	254,494	-
Street and alleys Fund	230,000	-
Water Fund	280,506	-
Area Transit System Fund	75,000	-
Totals	<u>\$ 1,070,540</u>	<u>\$ 1,070,540</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2023

Note 7 - Long-Term Liabilities

Schedule of Long-Term Debt

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due within one year
Governmental Activities					
Compensated absences	\$ 71,192	\$ 15,237	\$ -	\$ 86,429	\$ 86,429
Total	<u>\$ 71,192</u>	<u>\$ 15,237</u>	<u>\$ -</u>	<u>\$ 86,429</u>	<u>\$ 86,429</u>
Enterprise Activities					
Note payable-Alpine Bank	\$ 197,639	\$ -	\$ (22,212)	\$ 175,427	\$ 24,010
Compensated absences	24,075	5,917	-	29,992	29,992
Total	<u>\$ 221,714</u>	<u>\$ 5,917</u>	<u>\$ (22,212)</u>	<u>\$ 205,419</u>	<u>\$ 54,002</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
2024	16,743	1,183	17,926
2025	17,259	667	17,926
Total	<u>\$ 34,002</u>	<u>\$ 1,850</u>	<u>\$ 35,852</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:

	Principal	Interest	Totals
2024	\$ 7,267	\$ 5,801	\$ 13,068
2025	7,578	5,490	13,068
2026	7,903	5,165	13,068
2027	8,241	4,827	13,068
2028	8,594	4,474	13,068
2029 to 2033	48,814	16,526	65,340
2034 to 2038	53,028	5,209	58,237
Total	<u>\$ 141,425</u>	<u>\$ 47,492</u>	<u>\$ 188,917</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2023

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.

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, 2023, the Town's total payroll was \$1,433,984, the total covered payroll by the retirement plan was \$1,004,380. During 2023, the Town and employees each made their respectively required contribution of 50,219 and \$50,219, for a total of \$100,438. Complete financial statements for the retirement plans may be obtained from CCOERA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Town of Parachute
Notes to the Financial Statements
December 31, 2023

Note 9 - Retirement Plans (continued)

Defined Benefit Plan

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.

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 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Town of Parachute
Notes to the Financial Statements
December 31, 2023

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. 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 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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

At December 31, 2023, the Entity reported a net pension liability of \$ 30,391. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the Town's proportion was 0.03424%, which was a decrease of 0.00026% from its proportion of 0.03450% measured as of December 31, 2021.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2023, the Town recognized pension expense of \$13,550 related to the SWDB.

At December 31, 2023, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 65,787	\$ 3,730
Changes in assumptions	38,935	-
Net difference between projected and actual earnings on pension plan investments	68,775	-
Contributions subsequent to the measurement date	39,626	-
Total	<u>\$ 213,123</u>	<u>\$ 3,730</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2023

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

The SWDB plan reported \$213,123 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, 2023.

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:

2023	\$	16,009
2024	\$	28,998
2025	\$	40,942
2026	\$	56,669
2027	\$	11,726
Thereafter	\$	15,422

The December 31, 2022 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2022. 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%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Health Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP=2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the 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 pre-retirement of-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

Town of Parachute
Notes to the Financial Statements
December 31, 2023

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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 2022 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 & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income- Rates	10%	5.45%
Fixed Income- Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
Total	100.00%	

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 4.05% (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%.

Town of Parachute
Notes to the Financial Statements
December 31, 2023

Note 9- Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
\$209,514	\$30,391	\$(117,980)

Note 10- Capital Assets

	Balance January 1, 2023	Additions	Dispositions	Balance December 31, 2023
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,298,368	\$ -	\$ (177,365)	\$ 3,121,003
	3,298,368	-	(177,365)	3,121,003
Capital assets being depreciated				
Buildings	4,523,793	111,776	(18,321)	4,617,248
Improvements/infrastructure	8,214,451	728,032	-	8,942,483
Furniture and equipment	315,121	-	(71,490)	243,631
Machinery and equipment	791,809	136,805	(150,897)	777,717
Vehicles	997,794	106,336	(175,891)	928,239
	14,842,968	1,082,949	(416,599)	15,509,318
Less accumulated depreciation				
Buildings	(1,519,323)	(120,738)	18,321	(1,621,740)
Improvements/infrastructure	(5,339,817)	(489,240)	-	(5,829,057)
Furniture and equipment	(264,778)	(23,713)	71,490	(217,001)
Machinery and equipment	(527,080)	(44,036)	129,445	(441,671)
Vehicles	(756,754)	(88,875)	175,891	(669,738)
	(8,407,752)	(766,602)	395,147	(8,779,207)
Capital asset being depreciated, net	6,435,216	316,347	(21,452)	6,730,111
Total Capital Assets	\$ 9,733,584	\$ 316,347	\$ (198,817)	\$ 9,851,114

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

General government	\$ 101,279
Public safety	53,970
Highway and streets	466,929
Culture and recreation	144,424
Total	<u>\$ 766,602</u>

Town of Parachute
Notes to the Financial Statements
December 31, 2023

Note 10 - Capital Assets (continued)

	Balance January 1, 2023	Additions	Dispositions	Balance December 31, 2023
Business - Type Activities				
Capital assets not being depreciated				
Land and water rights	\$ 287,168	\$ -	\$ -	\$ 287,168
Capital assets being depreciated				
Water utility system	2,845,090	193,535	-	3,038,625
Wastewater utility system	1,019,132	-	-	1,019,132
Water and storage tanks	834,643	13,500	-	848,143
Machinery and equipment	278,316	48,454	-	326,770
Vehicles	218,700	-	-	218,700
Less accumulated depreciation	(3,014,371)	(142,545)	-	(3,156,916)
Capital assets being depreciated, net	2,181,510	112,944	-	2,294,454
Total Business-Type Activities Capital Assets	\$ 2,468,678	\$ 112,944	\$ -	\$ 2,581,622

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	\$ 78,731
Wastewater Fund	37,159
Area Transit System Fund	26,655
Total	<u>\$ 142,545</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's portion of the net pension assets (liability)	0.03424%	0.03450%	0.35484%	0.03215%	0.04390%	0.03796%	0.04463%
Town's proportionate share of the net pension asset (liability)	\$ (30,391)	\$ 186,965	\$ 22,801	\$ 18,185	\$ (55,502)	\$ 54,604	\$ (15,402)
Town's covered payroll	\$ 321,320	\$ 285,013	\$ 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	-9.46%	65.60%	9.62%	7.10%	-18.86%	24.59%	-7.06%
Plan fiduciary net position as a percentage of the total pension assets/(liability)	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.21%

Note to Schedule

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

Town of Parachute
Schedule of Town's Contributions to Pension Plan
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
For the Year Ended December 31, 2022 (Measurement Date)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 26,810	\$ 22,801	\$ 18,959	\$ 20,503	\$ 23,543
Contributions in relation to the contractually required contribution	<u>\$ 26,810</u>	<u>\$ 22,801</u>	<u>\$ 18,959</u>	<u>\$ 20,503</u>	<u>\$ 23,543</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 321,320	\$ 285,013	\$ 236,988	\$ 256,288	\$ 294,287
Contributions as a percentage of covered payroll	8.34%	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, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Property Tax	\$ 434,776	\$ 434,776	\$ 484,562	\$ 49,786
Sales Tax	2,215,084	2,215,084	2,743,138	528,054
Use Tax	90,000	90,000	18,291	(71,709)
Lodging Tax	86,250	86,250	147,237	60,987
Other Tax	14,125	14,125	6,926	(7,199)
Fines and Forfeitures	62,550	62,550	34,205	(28,345)
Licenses and Permits	56,825	56,825	60,328	3,503
State Mineral Severance	52,500	52,500	110,700	58,200
Sate Mineral Lease	60,000	60,000	359,192	299,192
Miscellaneous	132,740	132,740	131,308	(1,432)
Interest	5,000	5,000	58,424	53,424
Total revenues	3,216,250	3,216,250	4,163,853	947,603
Expenditures				
Executive	172,290	172,290	122,628	49,662
Finance	300,985	300,985	289,432	11,553
Town Clerk	95,795	95,795	120,703	(24,908)
Police Department	749,975	749,975	704,062	45,913
Records	81,470	81,470	84,183	(2,713)
Community Development	163,785	216,285	170,234	46,051
Economic Development	329,150	329,150	288,794	40,356
Building Maintenance	170,240	170,240	155,362	14,878
Parks	236,980	236,980	302,390	(65,410)
Contributions	31,540	31,540	24,902	6,638
Other Departments	271,975	271,975	261,583	10,392
Capital Outlay	9,000	9,000	4,553	4,447
Total Expenditures	2,613,185	2,665,685	2,528,826	136,859
Excess of Revenues over (under) Expenditures	603,065	550,565	1,635,027	1,084,462
Other Financing Sources (Uses)				
Transfers (Out)	(1,070,540)	(1,070,540)	(1,070,540)	-
Change in available resources	(467,475)	(519,975)	564,487	1,084,462
Fund Balance, January 1	1,494,435	1,494,435	1,871,173	376,738
Fund Balance, December 31	\$ 1,026,960	\$ 974,460	\$ 2,435,660	\$ 1,461,200

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Reserve Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Revenues	\$ -	\$ -	\$ 129,712	\$ 129,712
Total revenues	-	-	129,712	129,712
Expenditures				
Expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	129,712	129,712
Other Financing Sources (Uses)				
Transfers In (Out)	540	540	540	-
Change in available resources	540	540	130,252	129,712
Fund balance, January 1	2,077,260	2,077,260	2,077,260	-
Fund balance, December 31	<u>\$ 2,077,800</u>	<u>\$ 2,077,800</u>	<u>\$ 2,207,512</u>	<u>\$ 129,712</u>

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Grant Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Grant Revenues	\$ 145,660	\$ 445,660	\$ 191,635	\$ (254,025)
Total revenues	145,660	445,660	191,635	(254,025)
Expenditures				
Expenditures	435,000	1,038,233	733,490	304,743
Total expenditures	435,000	1,038,233	733,490	304,743
Excess of revenues over (under) expenditures	(289,340)	(592,573)	(541,855)	50,718
Other Financing Sources (Uses)				
Transfers In (Out)	-	230,000	230,000	-
Change in available resources	(289,340)	(362,573)	(311,855)	50,718
Fund balance, January 1	335,189	335,189	404,859	69,670
Fund balance, December 31	\$ 45,849	\$ (27,384)	\$ 93,004	\$ 120,388

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Grants	\$ 1,030,000	\$ 815,506	\$ 209,653	\$ (605,853)
Gain on Sale of Assets	-	-	37,400	37,400
Miscellaneous Revenue	18,633	18,633	19,366	733
Total revenues	<u>1,048,633</u>	<u>834,139</u>	<u>266,419</u>	<u>(567,720)</u>
Expenditures				
Capital Outlay	2,576,752	1,748,036	907,605	840,431
Total expenditures	<u>2,576,752</u>	<u>1,748,036</u>	<u>907,605</u>	<u>840,431</u>
Excess of Revenues over (under) Expenditures	(1,528,119)	(913,897)	(641,186)	(1,408,151)
Other Financing Sources (Uses)				
Net Transfers In (Out)	765,000	254,494	254,494	-
Change in available resources	(763,119)	(659,403)	(386,692)	272,711
Fund Balance, January 1	<u>1,060,595</u>	<u>1,060,595</u>	<u>1,068,664</u>	<u>8,069</u>
Fund Balance, December 31	<u>\$ 297,476</u>	<u>\$ 401,192</u>	<u>\$ 681,972</u>	<u>\$ 280,780</u>

**Town of Parachute
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Conservation Trust Fund	Streets and Alleys Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 29,091	\$ 68,204	\$ 97,295
Accounts receivable	-	6,781	6,781
Total assets	<u>\$ 29,091</u>	<u>\$ 74,985</u>	<u>\$ 104,076</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	\$ -	\$ 477	\$ 477
Accrued Payroll	-	4,021	4,021
Total liabilities	<u>-</u>	<u>4,498</u>	<u>4,498</u>
Fund balances:			
Unreserved:	29,091	70,487	99,578
Total fund balances	<u>29,091</u>	<u>70,487</u>	<u>99,578</u>
Total liabilities and fund balances	<u>\$ 29,091</u>	<u>\$ 74,985</u>	<u>\$ 104,076</u>

Town of Parachute
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Conservation Trust Fund	Streets and Alleys Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ -	\$ 40,893	\$ 40,893
Intergovernmental	9,716	50,560	60,276
Interest Income	989	2,016	3,005
Total revenues	<u>10,705</u>	<u>93,469</u>	<u>104,174</u>
EXPENDITURES			
Street and Alleys	-	326,867	326,867
Capital Outlay	11,607	-	11,607
Total expenditures	<u>11,607</u>	<u>326,867</u>	<u>338,474</u>
Excess revenues over (under) expenditures	(902)	(233,398)	(234,300)
Other Financing Sources (Uses)			
Transfers in (out)	<u>-</u>	<u>230,000</u>	<u>230,000</u>
Net change in fund balance	(902)	(3,398)	(4,300)
Fund balance, January 1	<u>29,993</u>	<u>73,885</u>	<u>103,878</u>
Fund balance, December 31	<u><u>\$ 29,091</u></u>	<u><u>\$ 70,487</u></u>	<u><u>\$ 99,578</u></u>

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Lottery funds	\$ 7,150	\$ 7,150	\$ 9,716	\$ 2,566
Grants	-	-	-	-
Interest	-	-	989	989
Total revenues	<u>7,150</u>	<u>7,150</u>	<u>10,705</u>	<u>3,555</u>
Expenditures				
Capital Projects	<u>30,000</u>	<u>30,000</u>	<u>11,607</u>	<u>18,393</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>11,607</u>	<u>18,393</u>
Excess of Revenues over (under) Expenditures	(22,850)	(22,850)	(902)	(14,838)
Fund Balance, January 1	<u>53,188</u>	<u>53,188</u>	<u>29,993</u>	<u>(23,195)</u>
Fund Balance, December 31	<u>\$ 30,338</u>	<u>\$ 30,338</u>	<u>\$ 29,091</u>	<u>\$ (1,247)</u>

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Street and Alleys Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Taxes	\$ 38,325	\$ 38,325	\$ 40,893	\$ 2,568
Intergovernmental	50,948	50,948	50,560	(388)
Miscellaneous	1,657	1,657	2,016	359
Total revenues	90,930	90,930	93,469	2,539
Expenditures				
Street and Alleys	311,630	345,037	326,867	18,170
Total expenditures	311,630	345,037	326,867	18,170
Excess of Revenues over (under) Expenditures	(220,700)	(254,107)	(233,398)	20,709
Other Financing Sources (Uses)				
Transfers In/out	230,000	230,000	230,000	-
Change in available resources	9,300	(24,107)	(3,398)	20,709
Fund Balance, January 1	75,130	75,130	73,885	(1,245)
Fund Balance, December 31	\$ 84,430	\$ 51,023	\$ 70,487	\$ 19,464

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ 432,700	\$ 432,700	\$ 465,144	\$ 32,444
Interest Income	50	50	2,643	2,593
Grants	138,870	138,870	101,370	(37,500)
Tap Fees	30,000	30,000	5,325	(24,675)
Miscellaneous	-	-	1,219	1,219
Total revenues	601,620	601,620	575,701	(25,919)
Expenditures				
Personnel	220,630	220,630	224,050	(3,420)
Office	2,020	2,020	3,839	(1,819)
Operations Supplies	19,400	19,400	6,680	12,720
Water	16,000	16,000	22,924	(6,924)
Repairs and Maintenance	56,500	56,500	63,668	(7,168)
Purchased Services	4,500	4,500	5,260	(760)
Insurance	11,270	11,270	11,270	-
Utilities	36,000	36,000	24,709	11,291
Professional Services	176,500	176,500	3,039	173,461
Other Expenses	48,700	48,700	32,386	16,314
Debt Service	31,840	31,840	32,685	(845)
Capital Outlay	265,000	265,000	245,685	19,315
Total expenditures	888,360	888,360	676,195	212,165
Excess of Revenues over (under) Expenditures	(286,740)	(286,740)	(100,494)	186,246
Other Financing Sources (Uses)				
Transfers in	-	280,506	280,506	-
Change in available resources	(286,740)	(6,234)	180,012	186,246
Available resources, January 1	427,486	392,159	530,359	138,200
Available resources, December 31	\$ 140,746	\$ 385,925	\$ 710,371	\$ 324,446

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ 324,500	\$ 324,500	\$ 331,260	\$ 6,760
Interest Income	-	-	3,065	3,065
Tap Fees	15,750	15,750	4,400	(11,350)
Miscellaneous	-	-	2,036	2,036
Total revenues	352,750	352,750	340,761	(11,989)
Expenditures				
Personnel	74,655	74,655	76,498	(1,843)
Office	1,670	1,670	2,212	(542)
Operations Supplies	2,500	2,500	140	2,360
Treatment	165,000	165,000	175,598	(10,598)
Repairs and Maintenance	9,750	9,750	7,064	2,686
Purchased Services	2,530	2,530	3,907	(1,377)
Utilities	12,700	12,700	6,774	5,926
Professional Services	7,000	7,000	-	7,000
Other Expenses	36,250	36,250	17,397	18,853
Capital Outlay	100,000	100,000	48,455	51,545
Total expenditures	412,055	412,055	338,045	74,010
Excess of revenues over (under) expenditures	(59,305)	(59,305)	2,716	62,021
Available Resources, January 1	297,172	231,837	320,641	88,804
Available Resources, December 31	\$ 237,867	\$ 172,532	\$ 323,357	\$ 150,825

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Garbage Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ 72,000	\$ 72,000	\$ 74,096	\$ 2,096
Interest Income	-	-	1,404	1,404
Total revenues	72,000	72,000	75,500	3,500
Expenditures				
Contract Hauler	70,184	70,184	68,736	1,448
Total expenditures	70,184	70,184	68,736	1,448
Excess of Revenues over (under) Expenditures	1,816	1,816	6,764	4,948
Available resources, January 1	69,067	69,067	68,979	(88)
Available resources, December 31	\$ 70,883	\$ 70,883	\$ 75,743	\$ 4,860

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, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Charges for Services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Personnel	-	-	-	-
Office	-	-	-	-
Operations Supplies	-	-	-	-
Repairs and Maintenance	-	-	-	-
Purchased Services	-	-	-	-
Utilities	-	-	-	-
Professional Services	-	-	-	-
Other Expenses	-	-	-	-
Total expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Change in available resources	-	-	-	-
Available resources, January 1	5,101	5,101	5,103	2
Available resources, December 31	<u>\$ 5,101</u>	<u>\$ 5,101</u>	<u>\$ 5,103</u>	<u>\$ 2</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, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Grants	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Charges for Services	16,500	16,500	17,480	980
Miscellaneous	-	-	1,462	1,462
Total revenues	266,500	266,500	268,942	2,442
Expenditures				
Personnel	251,330	251,330	243,131	8,199
Operations Supplies	1,750	1,750	1,226	524
Repairs and Maintenance	16,500	16,500	5,258	11,242
Purchased Services	2,500	2,500	2,900	(400)
Insurance	2,130	2,130	1,598	532
Utilities	1,880	1,880	1,236	644
Professional Services	750	750	-	750
Other Expenses	56,350	56,350	41,806	14,544
Total expenditures	333,190	333,190	297,155	36,035
Excess of Revenues over (under) Expenditures	(66,690)	(66,690)	(28,213)	38,477
Other Financing Sources (Uses)				
Transfers in	75,000	75,000	75,000	-
Change in available resources	8,310	8,310	46,787	38,477
Available resources, January 1	196,245	171,980	195,578	23,598
Available resources, December 31	\$ 204,555	\$ 180,290	\$ 242,365	\$ 62,075

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Parachute
This Information From The Records Of: Town of Parachute		YEAR ENDING : Dec-23
Prepared By: Teresa Beecraft, Finance Director Phone: 970.285.7630		

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				

ITEM		AMOUNT	AND STREET PURPOSES	
ITEM		AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:			A. Local highway disbursements:	
1. Local highway-user taxes			1. Capital outlay (from page 2)	931,892
a. Motor Fuel (from Item I.A.5.)			2. Maintenance:	10,000
b. Motor Vehicle (from Item I.B.5.)			3. Road and street services:	
c. Total (a.+b.)			a. Traffic control operations	74,309
2. General fund appropriations	230,000		b. Snow and ice removal	17,270
3. Other local imposts (from page 2)	11,119		c. Other	24,937
4. Miscellaneous local receipts (from page 2)	11,933		d. Total (a. through c.)	116,516
5. Transfers from toll facilities	0		4. General administration & miscellaneous	166,258
6. Proceeds of sale of bonds and notes:			5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0		6. Total (1 through 5)	1,224,672
b. Bonds - Refunding Issues	0		B. Debt service on local obligations:	
c. Notes	0		1. Bonds:	
d. Total (a. + b. + c.)	0		a. Interest	0
7. Total (1 through 6)	253,053		b. Redemption	0
B. Private Contributions	0		c. Total (a. + b.)	0
C. Receipts from State government			2. Notes:	
(from page 2)	82,012		a. Interest	0
D. Receipts from Federal Government			b. Redemption	0
(from page 2)	0		c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	335,064		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)	1,224,672

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	73,885	323,470	326,871	70,484	70,484

Less Dola Grant in Capital Fund	-	
Less Traffic revenues in General fund	11,594.40	230
Less repaving in capital fund		897,800.00

LOCAL HIGHWAY FINANCE REPORT	STATE:
	Colorado
	YEAR ENDING (mm/yy): Dec-23

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	11,594
1. Sales Taxes	9,442	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	1,677	g. Other Misc. Receipts	339
6. Total (1. through 5.)	11,119	h. Other	0
c. Total (a. + b.)	11,119	i. Total (a. through h.)	11,933
(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	50,560	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	31,451	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.)	31,451	g. Total (a. through g.)	0
4. Total (1. + 2. + 3.f)	82,012	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		5,530	5,530
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		533,700	533,700
(3). System Preservation		392,662	392,662
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	926,362	926,362
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	931,893	931,893
		(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 897,800
0
Traffic fines were received in General fund 11,594