Town of Parachute
Financial Statements and
Independent Auditor's Report
as of
December 31, 2025

Town of Parachute

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Blair and Associates, P.C.
Cedaredge, Colorado

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, 2025, 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, 2025, 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.

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Parachute, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado

June 9, 2026

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, 2025. 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 $19,345,558 (net position) as of December 31, 2025.

- Total net position is comprised of the following:

  Net investment in capital assets in the amount of $13,036,375 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

  Net position $115,657 is restricted for emergency reserves.

  Net position of $6,193,526, 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, Urban Renewal, Reserve and Grant and Capital Projects Funds) report a total ending fund balance of $4,757,479 this year. This compares to the prior year ending fund balance of $4,775,312, a decrease of $17,833.

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 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 $19,345,558. The following tables provide a summary of the Town's net position for 2025.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current Assets	5,763,642	5,536,988	1,612,684	1,492,522	7,376,326	7,029,510
Capital Assets	10,742,829	10,088,558	2,422,349	2,453,288	13,165,178	12,541,846
Total Assets	16,506,471	15,625,546	4,035,033	3,945,810	20,541,504	19,571,356
Deferred Outflows of Resources	199,217	202,373			199,217	202,373
Liabilities:						
Current Liabilities	624,468	357,468	100,240	90,485	724,708	447,953
Noncurrent Liabilities	-	-	128,803	152,900	128,803	152,900
Net pension liability	-	-	-	-	-	-
Total Liabilities	624,468	357,468	229,043	243,385	853,511	600,853
Deferred Inflows of Resources	541,652	548,731	-	-	541,652	548,731
Net Position:						
Net Investment in Capital Assets	10,742,829	10,088,558	2,293,546	2,300,388	13,036,375	12,388,946
Restricted	115,657	119,756			115,657	119,756
Unrestricted	4,681,082	4,713,406	1,512,444	1,402,037	6,193,526	6,115,443
Total Net Position	15,539,568	14,921,720	3,805,990	3,702,425	19,345,558	18,624,145

Note that approximately 67% of the Town's total net position is tied up in capital assets.

In 2025, revenues in various funds reflect the following activity.

The following tables provide a summary of the Town's revenues and expenses for 2025.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for Services	135,412	90,720	1,035,209	943,416	1,170,621	1,034,136
Operating Grants	120,235	112,094	38,530	-	158,765	112,094
Capital grants	1,442,277	393,768	295,000	469,746	1,737,277	863,514
General Revenues						
Property Taxes	546,040	619,862	-	-	546,040	619,862
Intergovernmental	176,100	223,873	-	-	176,100	223,873
Oil & Gas Lease	24,959	24,905			24,959	24,905
Sales taxes and other	2,576,330	2,587,563	-	-	2,576,330	2,587,563
Franchise taxes	2,790	3,631	-	-	2,790	3,631
Miscellaneous	90,788	21,878	-	-	90,788	21,878
Interest income	137,901	170,576	48,039	51,560	185,940	222,136
Gain on Sale of Assets	(293)	-			(293)	-
Transfers in (out)	(75,000)	(75,000)	75,000	75,000	-	-
Total Revenues	5,177,539	4,173,870	1,491,778	1,539,722	6,669,317	5,713,592
Expenses						
General Government	1,761,085	1,667,821	-	-	1,761,085	1,667,821
Public Safety	1,123,130	1,009,251	-	-	1,123,130	1,009,251
Highways & Streets	941,192	1,259,142	-	-	941,192	1,259,142
Culture & Recreation	734,284	777,349	-	-	734,284	777,349
Water	-	-	603,821	787,100	603,821	787,100
Wastewater	-	-	373,174	405,317	373,174	405,317
Garbage	-	-	70,727	68,472	70,727	68,472
Area Transit System			340,491	339,549	340,491	339,549
Total Expenses	4,559,691	4,713,563	1,388,213	1,600,438	5,947,904	6,314,001
Increase (Decrease)						
In Net Position	617,848	(539,693)	103,565	(60,716)	721,413	(600,409)
Residual Transfer			-	-	-	-
Net Position - Beginning	14,921,720	15,461,413	3,702,425	3,763,141	18,624,145	19,224,554
Net Position - Ending	15,539,568	14,921,720	3,805,990	3,702,425	19,345,558	18,624,145

GOVERNMENTAL REVENUES

The Town relies heavily on property, sales and use taxes to support governmental operations. In 2025, taxes equaled $3,125,160 or 61% of total revenues of $5,177,539 for the Town.

GOVERNMENTAL FUNCTIONAL EXPENSES

Overall operating costs decreased $153,872, a decrease of 4% when compared to 2024. Public Safety comprises 25% of the Town's total governmental expenses, General Government at 39%, Highways and Street at 20%, Culture and Recreation at 16%.

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, 2025, the total fund balances of the Town's governmental funds were $4,757,479. Approximately 24 percent of this consists of unassigned fund balance, which is available as for current spending in accordance with the purposes of the Town. The remainder of fund balance is not available for new spending because it is for the following purposes: (1) a state-Constitution mandated emergency reserve ($115,657), (2) capital reserves ($772,140), (3) Reserve Fund ($2,393,422), (4) Parks and Open Space ($49,480), (5) Urban Renewal Authority ($20,000) and (6) Streets and Alleys ($239,775). The Town had Governmental revenues and other financing sources of $5,177,539 and expenditure of $4,559,691.

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, 2025, the total net position of the Town's proprietary funds was $3,805,990. Approximately 39% or $1,512,444 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 the net position is invested in capital assets ($2,293,546). The Town had Proprietary operating revenues, non-operating revenues, and contributions of $1,491,778 and operating expenses and non-operating expenses of $1,388,213.

Budgetary Highlights

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

	Original Appropriation	Amendments	Revised Appropriation	Actual Expenditures
General Fund	3,991,852	-	3,991,852	3,695,088
Streets and Alleys Fund	390,440	-	390,440	297,529
Urban Renewal Fund	15,000		15,000	-
Conservation Trust Fund	-		-	-
Grant fund	265,664	-	265,664	265,663
Reserve Fund	-		-	-
Parachute Capital Improvement Fu	2,276,320	1,585,000	3,861,320	1,852,799
Water fund	1,054,480	3,150	1,057,630	570,853
Waste Water fund	491,180	3,150	494,330	368,214
Garbage Fund	92,212	-	92,212	70,727
Parachute Area Transit System	722,410	-	722,410	371,577
Parks and Recreation Fund	-	-	-	-
	$ 9,299,558.00	$ 1,591,300.00	$ 10,890,858.00	$ 7,492,450.00

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2025, was $10,742,829 for governmental activities and $2,422,349 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004. The following table provides a summary of capital asset activity.

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 3,121,003	$ 30,290	$ -	$ 3,151,293
Total Capital Assets Not Being Depreciat	3,121,003	30,290	-	3,151,293
Depreciable Capital Assets:				
Buildings	5,209,448	429,041		5,638,489
Improvements/Infrastructure	9,025,851	791,411		9,817,262
Furniture & Equipment	243,631	-		243,631
Machinery & Equipment	834,287	52,009		886,296
Vehicles	1,263,266	216,444	(161,556)	1,318,154
Total Depreciable Capital Assets	16,576,483	1,488,905	(161,556)	17,903,832
Accumulated Depreciation:				
Buildings	(1,747,716)	(140,785)		(1,888,501)
Improvements/Infrastructure	(6,342,364)	(503,435)		(6,845,799)
Furniture & Equipment	(228,516)	(8,149)		(236,665)
Machinery & Equipment	(491,018)	(56,296)		(547,314)
Vehicles	(799,314)	(151,215)	156,512	(794,017)
Total Accumulated Depreciation	(9,608,928)	(859,880)	156,512	(10,312,296)
Net Depreciable Capital Assets	6,967,555	629,025	(5,044)	7,591,536
Total Net Governmental Activities	$ 10,088,558	$ 659,315	$ (5,044)	$ 10,742,829

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land and Water Rights	$ 287,168	$ -	$ -	$ 287,168
	-	-	-	
Total Capital Assets Not Being Depreciat	287,168	-	-	287,168
Depreciable Capital Assets:				
Water Utility System	3,038,625		-	3,038,625
Wastewater Utility System	1,019,132		-	1,019,132
Water Storage Tanks	848,143		-	848,143
Machinery & Equipment	352,445	-	(30,000)	322,445
Building	-	40,000		40,000
Vehicles	218,701	52,729	-	271,430
Total Depreciable Capital Assets	5,477,046	92,729	(30,000)	**5,539,775**
Accumulated Depreciation:				
Building	-	(68)		(68)
Water Utility System	(1,780,377)	(64,448)	-	(1,844,825)
Wastewater System	(806,450)	(23,170)	-	(829,620)
Water Storage Tanks	(265,933)	(16,583)	-	(282,516)
Machinery & Equipment	(256,678)	(8,714)	30,000	(235,392)
Vehicles	(201,489)	(10,682)	-	(212,171)
Total Accumulated Depreciation	(3,310,927)	(123,668)	30,000	(3,404,594)
Net Depreciable Capital Assets	2,166,120	(30,939)	-	2,135,179
Total Business-Type Activities	$2,453,288	$ (30,939)	$ -	$2,422,349

On December 31, 2025, the depreciable capital assets for governmental activities were 58% depreciated. As for the Town’s business-type activities, 61% of the asset values were depreciated on December 31, 2025.

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

Long-term Debt

During the year ended December 31, 2025, the Town did not enter any new capital leases.

In 2025, the Town’s 2005 note payable with Alpine Bank was paid in full. In 2018 the Town borrowed an additional $175,000 for the water fund from Alpine Bank with monthly payments of $1265.02.

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. These funds are typically appropriated with the project budget, and the total amount and year received may vary, depending on the nature and duration of the project being supported by the grant funds.

During 2025, the Town of Parachute received or was awarded grant funds for local projects, totaling $5,394,188, as follows:

US DOT HIP $3,000,000

Senators John Hickenlooper and Michael Bennet selected the Town of Parachute's Congressionally Directed Spending (CDS) request to reconstruct 1st Street for funding under the 2026 Appropriations Act. These funds will be distributed through a CDOT-administered HIP Grant and will support the future construction of 1st Street, advancing the Town's vision to revitalize Parachute's downtown core.

GCFMLD..$305,000

The Town received funding from Garfield County Federal Mineral Leasing District (GCFMLD) through four different grant awards for various projects: the reconstruction of Cardinal Way and Hill Street ($250,000), the acquisition of a fleet vehicle for the Public Works Department ORC ($30,000), and the acquisition of an asphalt milling machine ($25,000).

CDOT MMOF..$425,000

An additional grant from the Colorado Department of Transportation (CDOT) MMOF fund was awarded to the Town of Parachute by the IMTPR to help complete the final phase of design and 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.

CDOT FTA $106,655

The Parachute Area Transit System (PATS) was awarded new grant funding through the FTA 5311 formula funding program to help offset the administrative and operating costs of the system. This funding is expected to be renewed annually.

CDOT CTE $100,617

The Parachute Area Transit System (PATS) was awarded funding through the new Clean Transit Enterprise fund to allow for expanded hours and new on demand/demand response services in Parachute, Battlement Mesa, and Rifle through a new partnership with the Downtowner. This funding is expected to be renewed annually.

DOLA EIAF $1,027,636

The Town was awarded a More Housing Now grant through the Department of Local Affairs (DOLA) Energy Impact Assistance Fund (EIAF) in 2025 to help fund offsite improvements and public infrastructure costs supporting the Gateway affordable housing project. Once completed, the funding will install new roadways, sidewalks, utilities, and other infrastructure on 3rd and Green Streets, which will support the 68 new apartment units and 3,100 sq. ft. of new commercial space at the former Parachute Inn property.

Garfield County $350,000

Garfield County has committed funding for the ongoing operation of the PATS transit system ($200,000). In addition, the County also partnered with the Town to acquire the Senior Center facility in 2025 in Parachute. The County reimbursed the Town 100% of the acquisition costs ($150,000) in 2025.

City of Rifle $75,000

In 2025, the City of Rifle increased their contribution for the ongoing operation of the PATS transit system from $40,000 to $75,000. This additional funding helped offset costs related to the expanded service and addition of on demand / demand response service in Parachute and Rifle.

POST $4,280

In 2025, the Town was awarded funds through the Colorado Peace Officer Standards and Training Program to use towards training, equipment, and other law enforcement costs in 2026.

SWOT Analysis

Strengths, Weaknesses, Opportunities and Threats for the Town

Strengths

- Proximity to the Piceance Basin and rich deposits of various natural resources — oil shale, natural gas, nahcolite (sodium bicarbonate).

- Proximity to I-70 and two major railroads (Union Pacific & Burlington Northern)

- Proximity to the Colorado River

- Proximity to large employment centers in larger communities and resort areas

- Revelle Springs and an abundant and resilient municipal water supply.

- Parachute Creek and raw water irrigation supply.

- Scenic Battlement Mountains, Roan Plateau & Bookcliff rock formations.

- Mild climate with an average of 243 sunny days per year

- Education facilities – Garfield District 16 (Parachute), Colorado Mountain College (Rifle/Glenwood Springs), and Colorado Mesa University (Grand Junction)

- Medical facilities - Grand River Health Clinic West provinces local residents with an in-town option for their healthcare needs. Grand River Hospital is also located 16 miles from Parachute in Rifle, CO and offers a variety of additional medical services and advanced care.

- Leadership - The Town is guided by a collaborative Town Council and experienced management team that prioritize transparency, responsiveness, and long-term planning.

- Location – the Town's proximity to both Glenwood Springs and Grand Junction makes both cities accessible for shopping, essential services, and other business.

    - Parachute can be considered a Day Trip Destination – Many destinations, both east and west are within a two-hour drive from the Town. Moab, UT; Fruita, Grand Junction; Colorado Monument; DeBeque (Book Cliffs and Wild Horse area); Rifle; Glenwood Springs; Aspen; and Vail.

    - Parachute also has an abundance of natural resources and outdoor recreation opportunities that are a draw to tourists. Examples include fishing and boating on the Colorado river, the Battlement Mesa golf course, skiing at nearby resorts like Sunlight Mountain and Powderhorn resort, cross country skiing on the Grand Mesa Nordic Council Trails, and enjoying the many hiking trails or recreating within the nearby National Forest and Battlement Lakes region.

  - Many Town employers are also able to benefit from the large and skilled workforce within commuting distances in the Grand Valley area.

  - The greater Grand Junction area also offers many essential services and benefits to the region, which is available to Town residents with a short drive. Colorado Mesa University offers comprehensive regional public higher education with technical programs and varying certificate levels. St. Mary's, the VA Medical Center, and Community Hospitals are all located within 45 miles and offer advanced medical care.

- 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.

- Cost of Living – Parachute is one of the most affordable towns to live in in Colorado with the overall cost of living being approximately 18% lower compared to the rest of the state – resulting in a high quality of life.

- 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.

- Strategic Investment in Capital Improvements - Recent investments in capital infrastructure—including water, wastewater, and road systems—position the Town to meet future growth needs and improve service reliability.

- Strong financial stewardship - The Town has maintained a tradition of conservative budgeting and fiscal responsibility, resulting in healthy fund balances and reserves that support long-term stability and resilience. In 2024, the Town also hired a grant coordinator consultant to strategically pursue additional funding opportunities through grant programs.

- Conservative Debt Management - Debt levels remain low and limited to the Town's Water Fund. The Town continues to evaluate financing options that support infrastructure needs while maintaining long-term fiscal sustainability.

Weaknesses

- Single-based (natural gas) economy – The local economy remains dependent on a small number of industries. The natural gas industry's challenges have intensified following the passage of Senate Bill 19-181 and the subsequent implementation of stricter regulations by the Colorado Energy and Carbon Management Commission (ECMC). Operators are required to comply with significantly more rigorous state oversight and regulatory standards that hinder any new development and investments.

- Lack of retail and entertainment amenities – The community currently lacks diverse retail, dining, and entertainment amenities, especially those that appeal to young professionals. While the Town has made progress expanding outdoor recreation opportunities, additional commercial and lifestyle offerings remain a need.

- Small population – Parachute's population is growing at a modest pace, with constrained areas available for new residential construction within Town limits. Much of the anticipated residential growth is projected to occur in nearby Battlement Mesa.

- As a smaller town, Parachute faces inherent limitations in financial and staffing capacity. These constraints can affect the scope, pace, and implementation of large-scale initiatives and infrastructure projects. Also, while grant opportunities exist, the Town may lack sufficient local match funding, administrative capacity, or eligibility to take full advantage of them.

- Much of the Town's infrastructure was developed during the 1970s oil shale boom, resulting in systems that are now approaching the end of their useful life. Significant reinvestment will be required to maintain, upgrade, or replace aging utilities and public facilities.

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 68-unit housing development with 3,100 sq. ft. of commercial space that is slated to open in late summer / fall 2026.

- 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, Parachute Park Blvd, and Cardinal Way. The Town has also recently completed 60% design for the reconstruction of the downtown corridor and 1st Street, which would prime the area for new investment and businesses. The project has secured approximately $4 million in grant funding for design and future construction.

- Residential Growth - Increasing demand for affordable housing in Western Colorado could drive increased population growth.

- Business-Friendly Environment - Parachute offers a low cost of doing business, affordable land, and streamlined permitting processes through a land use code rewrite that was completed in 2024.

- 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 – Both Flywheel Energy LLC and Terra Energy Partners have recently sold and been acquired by new investment companies. With the new investment in the region, we anticipate there may be increased exploration drilling in the near future.

- Recreation and Tourism potential – The Town adopted its first ever trails master plan in June 2023. Projects have continued in 2025 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.

- Opportunity Zone Designation – the Census Tract that includes the Town of Parachute was determined to be eligible for the next round of Federal Opportunity Zones through the U.S. Department of the Treasury. Designation, expected in 2027, would make the Parachute region attractive to new investments through qualifying tax incentives. The Parachute Town Council adopted Resolution No. 2026-26 in June 2026 to support the designation.

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-motor retail locations, which are lacking in the region.

- Economic Pressures / Increasing Costs – The Town continues to face increasing operating expenses, particularly for health insurance and wage growth outpacing revenues, making it more challenging to stay competitive and maintain high-quality services.

- 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 mountains 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, with additional water rights exclusive to raw water irrigation on Parachute Creek. However, prolonged drought and the threat of natural disasters, such as wildfires, could threaten the Town.

- Potential Reduction in State or Federal Funding – The Town is susceptible to changes and reduced funding availability from other levels of government as a result of changing federal priorities and with the state of Colorado facing budget shortfalls. Changes in grant program structures or reductions in intergovernmental revenue (e.g., severance tax, HUTF, MMOF) could limit the Town's ability to fund critical services or projects.

- Cannabis Market Decline – The cannabis market has been in decline across the state of Colorado. Since the City of Grand Junction approved retail marijuana stores in 2022, and the first locations opened in late 2023, the Town has seen a decline in sales tax revenue generated from the industry. Three retail stores have recently closed temporarily or permanently, but the Town still has three retail stores operating today.

- Regional Competition and Economic Leakage - Nearby communities like Rifle and Glenwood Springs offer more amenities and economic opportunities, which can attract both businesses and residents. Many residents do a majority of their shopping elsewhere, and younger individuals may leave Parachute for education, careers, and lifestyle options.

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 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 utility rate study was completed in 2024 to ensure that the Town is collecting sufficient resources to remain financially solvent in the long term. As a result, the Town Council adopted an updated rate structure in 2025. The new rates will distribute system costs more equitably and are estimated to increase revenues by approximately 10% in 2026. This will help the Town be prepared for future capital expenses and demonstrates our commitment to sustainable fiscal management and the continued prosperity of our community.

In addition, the Town was recently awarded the GFOA Distinguished Budget Award for the 2026 Budget document. This was the Town's second consecutive award, and it demonstrates the Town's commitment to transparency and accountability through the established best practices of municipal finance.

Urban Renewal (URA) and Revitalization

The Town of Parachute continues to make progress in implementing targeted economic development strategies aimed at fostering long-term fiscal sustainability and community revitalization. The Parachute Renewal Partnership Urban Renewal Authority (URA), established in 2024, will be a key tool in advancing these efforts. The URA has created a framework for public-private partnerships and the use of Tax Increment Financing (TIF) to support infrastructure investment and incentivize redevelopment within designated urban renewal areas. The first Urban Renewal Plan Area is already underway with the redevelopment of the Parachute Inn property.

This project, in partnership with the developer, will significantly upgrade and renovate the dilapidated structures and construct new public improvements and infrastructure. These improvements will lay the foundation for future development and investment in the area.

Economic Development / Downtown Development Plan

In the past year, the Town has focused on aligning the Town's broader economic development priorities, including expanding commercial activity, attracting new businesses, and supporting the redevelopment of underutilized properties. These initiatives are designed to improve the local sales tax base, enhance services and amenities, and diversify the Town's economy beyond its traditional reliance on the energy sector.

To support these goals, the Town adopted the Downtown Development Plan in 2023. It identifies key infrastructure upgrades, streetscape improvements, and potential redevelopment opportunities intended to foster a more vibrant, walkable, and business-friendly downtown environment. The plan has reached 60% design and it is currently in its final stages.

Together, these coordinated efforts reflect the Town's commitment to strengthening the local economy, improving quality of life, and positioning Parachute as a welcoming and resilient community for future investment and growth.

Building Community & Celebrating Heritage

The Town of Parachute has made a deliberate and sustained effort to strengthen community identity and foster local pride through both programming and investment in shared spaces. The Town continues to invest in signature events such as the Monday Market, Grand Valley Days, and Holidays in Grand Valley bring residents together throughout the year, creating opportunities for connection, celebration, and local engagement.

Beyond events, the Town has demonstrated its commitment by purchasing the former senior center and transforming it into the Parachute Community Center, providing a welcoming hub for gatherings, programs, and civic life. Additionally, the Town has preserved and revitalized its heritage by renovating the historic Wasson-McKay House and leasing it to the Historical Society for just $1 per year, ensuring that Parachute's story is actively told and its history remains a cherished part of the community experience. Together, these efforts reflect a thoughtful strategy to build a strong sense of place, connection, and shared pride among residents.

Contacting the Town's Financial Management Staff

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

BASIC FINANCIAL STATEMENTS

Town of Parachute
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 4,224,670	$ 1,467,001	$ 5,691,671
Property Taxes Receivable	538,531	-	538,531
Accounts Receivable	981,217	145,683	1,126,900
Inventory	19,224	-	19,224
Capital assets			
Nondepreciable	3,151,293	287,168	3,438,461
Depreciable, net of accumulated depreciation	7,591,536	2,135,181	9,726,717
Total assets	16,506,471	4,035,033	20,541,504
DEFERRED OUTFLOWS			
Deferred outflows of resources related to pensions	199,217	-	199,217
Total Deferred outflows	199,217	-	199,217
LIABILITIES			
Accounts Payable	399,823	28,529	428,352
Accrued payroll	67,809	22,615	90,424
Accrued compensated absences	156,836	49,096	205,932
Noncurrent liabilities:			
Due within one year	-	6,974	6,974
Due more than one year:	-	121,829	121,829
Net pension liability	-	-	-
Total liabilities	624,468	229,043	853,511
Deferred inflows of resources			
Deferred property taxes	538,531	-	538,531
Deferred inflows of resources related to pensions	3,121	-	3,121
Total Deferred inflows of resources	541,652	-	541,652
NET POSITION			
Invested in capital assets	10,742,829	2,293,546	13,036,375
Restricted for:			
Tabor	115,657	-	115,657
Unrestricted	4,681,082	1,512,444	6,193,526
Total net position	$ 15,539,568	$ 3,805,990	$ 19,345,558

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Primary Government		
Functions/Programs	**Expenses**	**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	$ 1,761,085	$ 109,850	$ -	$ 1,442,277	$ (208,958)	$ -	$ (208,958)
Public Safety	1,123,130	19,522	4,441	-	(1,099,167)	-	(1,099,167)
Highway and Streets	941,192	-	107,423	-	(833,769)	-	(833,769)
Culture and Recreation	734,284	6,040	8,371	-	(719,873)	-	(719,873)
Total governmental activities	4,559,691	135,412	120,235	1,442,277	(2,861,767)	-	(2,861,767)
Business-type activities:							
Water	603,821	568,102	38,530	15,000	-	17,811	17,811
Wastewater	373,174	378,852	-	15,000	-	20,678	20,678
Garbage	70,727	75,990	-	-	-	5,263	5,263
Parks and Recreation	-	-	-	-	-	-	-
Area Transit System	340,491	12,265	-	265,000	-	(63,226)	(63,226)
Total business- type activities	1,388,213	1,035,209	38,530	295,000	-	(19,474)	(19,474)
Total primary government	$ 5,947,904	$ 1,170,621	$ 158,765	$ 1,737,277	(2,861,767)	(19,474)	(2,881,241)
		General Revenues					
		Taxes:					
		Sales and Use tax			2,474,420	-	2,474,420
		Property Tax			546,040	-	546,040
		Franchise taxes			2,790	-	2,790
		Other Tax			101,910	-	101,910
		Intergovernmental			176,100	-	176,100
		Oil and Gas Lease			24,959	-	24,959
		Unrestricted investment earnings			137,901	48,039	185,940
		Miscellaneous			90,788	-	90,788
		Gain (Loss) on sale of assets			(293)	-	(293)
		Transfers In (out)			(75,000)	75,000	-
		Total General Revenues and Transfers			3,479,615	123,039	3,602,654
		Changes in Net Position			617,848	103,565	721,413
		Net Position-January 1			14,921,720	3,702,425	18,624,145
		Net Position-December 31			$ 15,539,568	$ 3,805,990	$ 19,345,558

The accompanying notes are an integral part of this statement.

Town of Parachute
Governmental Funds
Balance Sheet
December 31, 2025

	General Fund	Reserve Fund	Grant Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 1,124,194	$ 2,393,423	$ 26,106	$ 371,245	$ 309,702	$ 4,224,670
Property Taxes Receivable	538,531	-	-	-	-	538,531
Accounts Receivable	382,828	-	-	589,386	9,003	981,217
Inventory	19,224	-	-	-	-	19,224
Total assets	$ 2,064,777	$ 2,393,423	$ 26,106	$ 960,631	$ 318,705	$ 5,763,642
Liabilities						
Accounts Payable	$ 181,933	$ -	$ 26,106	$ 188,492	$ 3,292	$ 399,823
Accrued Payroll	61,651	-	-	-	6,158	67,809
Total Liabilities	243,584	-	26,106	188,492	9,450	467,632
Deferred inflows of resources						
Deferred property taxes	538,531	-	-	-	-	538,531
Total Deferred inflows of resources	538,531	-	-	-	-	538,531
Fund Balance						
Restricted						
Parks and Open Space	-	-	-	-	49,480	49,480
Emergency Reserves	115,657	-	-	-	-	115,657
Assigned						
Future Operations	-	2,393,422	-	-	20,000	2,413,422
Streets and Alleys	-	-	-	-	239,775	239,775
Capital Projects	-	-	-	772,140	-	772,140
Unassigned	1,167,005	-	-	-	-	1,167,005
Total Fund Equity	1,282,662	2,393,422	-	772,140	309,255	4,757,479
Total Liabilities, deferred inflows of resources and fund equity	$ 2,064,777	$ 2,393,422	$ 26,106	$ 960,632	$ 318,705	$ 5,763,642

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, 2025

Total fund balance, governmental funds		$ 4,757,479
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	$21,055,125	
Less accumulated depreciation	(10,312,296)	10,742,829
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		(156,836)
Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.		196,096
Net Position of Governmental Activities in the Statement of Net Position		$15,539,568

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, 2025

	General Fund	Reserve Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 3,125,151	$ -	$ -	$ 48,810	$ 3,173,961
Licenses/Permits	20,645	-	-	66,984	87,629
Intergovernmental	118,272	-	1,442,277	-	1,560,549
Fines and Forfeitures	100,825	-	-	-	100,825
Miscellaneous	178,346	-	-	9,470	187,816
Interest	42,571	85,860	-	18,372	146,803
Total revenues	3,585,810	85,860	1,442,277	143,636	5,257,583
EXPENDITURES					
Current:					
Executive	120,407	-	-	-	120,407
Finance	359,722	-	-	-	359,722
Town Clerk	107,582	-	-	-	107,582
Police Department	896,185	-	-	-	896,185
Records	95,832	-	-	-	95,832
Community Development	189,871	-	-	-	189,871
Economic Development	393,432	-	-	-	393,432
Building Maintenance	206,850	-	-	-	206,850
Parks	301,550	-	-	-	301,550
Contributions	39,184	-	-	-	39,184
Other Departments	339,473	-	-	-	339,473
Streets and Alleys	-	-	-	297,529	297,529
Capital Outlay	-	-	1,852,799	-	1,852,799
Total expenditures	3,050,088	-	1,852,799	297,529	5,200,416
Excess of Revenues over (under) Expenditures	535,722	85,860	(410,522)	(153,893)	57,167
Other Financing Sources (Uses)					
Transfers In (Out)	(379,337)	-	270,000	34,337	(75,000)
Change in available resources	156,385	85,860	(140,522)	(119,556)	(17,833)
Fund Balances- January 1	1,126,277	2,307,562	912,662	428,811	4,775,312
Fund Balances- December 31	$ 1,282,662	$ 2,393,422	$ 772,140	$ 309,255	$ 4,757,479

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, 2025

Net change in fund balances - total governmental funds		$ (17,833)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as deprecation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Fixed assets current additions	$ 1,519,195	
Depreciation expense	(859,880)	
Excess of capital outlay over depreciation		659,315
The net effect of various transactions involving capital assets (i.e.sales,trades and disposals) is to decrease net position.		(5,044)
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		(15,598)
Pension expenses not in current year		(2,992)
Change in net position of governmental funds		$ 617,848

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Net Position
Enterprise Funds
December 31, 2025

	Water	Wastewater	Garbage	Parks and Recreation	Area Transit System	Total Enterprise Funds
ASSETS						
Current Assets:						
Cash	$ 708,940	$ 326,868	$ 89,425	$ 5,859	$ 335,909	$ 1,467,001
Accounts receivable, net	76,009	59,394	10,280	-	-	145,683
Total current assets	784,949	386,262	99,705	5,859	335,909	1,612,684
Capital assets:						
Water Shares	282,101	-	-	-	-	282,101
Land	4,095	972	-	-	-	5,067
Property, plant and Equipment	4,102,145	1,264,354	-	-	173,276	5,539,775
Less accumulated depreciation	(2,275,676)	(1,003,940)	-	-	(124,978)	(3,404,594)
Total capital assets	2,112,665	261,386	-	-	48,298	2,422,349
Total Assets	2,897,614	647,648	99,705	5,859	384,207	4,035,033
LIABILITIES						
Current liabilities:						
Accounts payable	4,930	14,955	5,888	-	2,756	28,529
Accrued payroll	10,132	3,085	-	76	9,322	22,615
Accrued compensated absences	22,170	8,104	-	680	18,142	49,096
Notes Payable	6,974	-	-	-	-	6,974
Total current liabilities	44,206	26,144	5,888	756	30,220	107,214
Noncurrent Liabilities						
Notes Payable	121,829	-	-	-	-	121,829
Total noncurrent liabilities	121,829	-	-	-	-	121,829
Net Position						
Invested in capital assets, net of related debt	1,983,862	261,386	-	-	48,298	2,293,546
Unrestricted	747,717	360,118	93,817	5,103	305,689	1,512,444
Total Net Position	$ 2,731,579	$ 621,504	$ 93,817	$ 5,103	$ 353,987	$ 3,805,990

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, 2025

	Water	Wastewater	Garbage	Parks and Recreation	Area Transit System	Total
Operating Revenues						
Charges for services	$ 566,982	$ 378,852	$ 75,990	$ -	$ 12,265	$ 1,034,089
Other	1,120	-	-	-	-	1,120
Total operating revenues	568,102	378,852	75,990	-	12,265	1,035,209
Operating Expenses						
Operations	225,044	251,499	70,727	-	62,927	610,197
Personnel	284,386	91,486	-	-	268,650	644,522
Depreciation	84,565	30,189	-	-	8,914	123,668
Total operating expenses	593,995	373,174	70,727	-	340,491	1,378,387
Operating income (loss)	(25,893)	5,678	5,263	-	(328,226)	(343,178)
Nonoperating revenues (expenses)						
Interest income	23,740	11,786	3,151	-	9,362	48,039
Interest expense	(9,826)	-	-	-	-	(9,826)
Total nonoperating revenues (expenses)	13,914	11,786	3,151	-	9,362	38,213
Income (loss) before transfers and and Capital Contributions	(11,979)	17,464	8,414	-	(318,864)	(304,965)
Contributions and Transfers						
Transfers	-	-	-	-	75,000	75,000
Grants	15,000	15,000	-	-	265,000	295,000
Total Contributions and Transfers	53,530	15,000	-	-	340,000	408,530
Change in net position	41,551	32,464	8,414	-	21,136	103,565
Total net position, January 1	2,690,028	589,040	85,403	5,103	332,851	3,702,425
Total net position, December 31	$ 2,731,579	$ 621,504	$ 93,817	$ 5,103	$ 353,987	$ 3,805,990

The accompanying notes are an integral part of this statement.

Town of Parachute
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2025

	Water	Wastewater	Garbage	Parks and Recreation	Area Transit System	Total Enterprise Funds
Cash Flows From Operating Activities						
Cash received from customer and others	$ 709,433	$ 357,478	$ 75,147	$ -	$ 12,265	$ 1,154,323
Cash payments for personnel	(219,935)	(249,187)	(70,727)	-	(57,740)	(597,589)
Cash payments for goods and services	(280,773)	(99,124)	192	-	(267,670)	(647,375)
Net cash provided (used) by operating activities	208,725	9,167	4,612	-	(313,145)	(90,641)
Cash Flows from Noncapital Financing Activities						
Transfers	-	-	-	-	75,000	75,000
Net cash provided (used) by noncapital financing activities	38,530	-	-	-	75,000	113,530
Cash Flows from Capital and Related Financing Activities						
Receipt of capital grants	15,000	15,000	-	-	265,000	295,000
Acquisition and construction of capital assets	(27,500)	(25,229)	-	-	(40,000)	(92,729)
Long term debt payment- principal	(24,097)	-	-	-	-	(24,097)
Long term debt payment- interest	(9,826)	-	-	-	-	(9,826)
Net cash provided (used) by capital and related financing activities	(46,423)	(10,229)	-	-	225,000	168,348
Cash Flows from Investing Activities						
Interest on investments	23,740	11,786	3,151	-	9,362	48,039
Net Cash provided by Investing Activities	23,740	11,786	3,151	-	9,362	48,039
Net increase (decrease) in cash and equivalents	224,572	10,724	7,763	-	(3,783)	239,276
Cash balances, January 1	484,368	316,144	81,662	5,859	339,692	1,227,725
Cash balances, December 31	$ 708,940	$ 326,868	$ 89,425	$ 5,859	$ 335,909	$ 1,467,001
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ (25,893)	$ 5,678	$ 5,263	$ -	$ (328,226)	$ (343,178)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	84,565	30,189	-	-	8,914	123,668
Assets (increase) decrease:						
Accounts receivables	141,331	(21,374)	(843)	-	-	119,114
Liabilities increase (decrease):						
Accounts payable	3,613	(7,638)	192	-	980	(2,853)
Accrued payroll	2,918	946	-	-	2,818	6,682
Accrued compensated absences	2,191	1,366	-	-	2,369	5,926
Unearned revenues	-	-	-	-	-	-
Total adjustments	234,618	3,489	(651)	-	15,081	252,537
Net cash provided (used) by operating activities	$ 208,725	$ 9,167	$ 4,612	$ -	$ (313,145)	$ (90,641)

The accompanying notes are an integral part of this statement.

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

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.
- The Urban Renewal Authority (URA) Fund is used to finance URA Plan Area projects and receive TIF revenues that will be restricted to associated URA activities.

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

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, 2025, 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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

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

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

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

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

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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. A portion of accumulated unpaid sick leave 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.

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;

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.”

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 2025 was $115,657.

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.

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 Capital Improvement, Water, and Wastewater Funds for the year ending December 31, 2025.

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, 2025, the bank balance of the Town's deposits was \$3,020,360 of which \$250,000 was covered by federal depository insurance and \$2,770,360 was collateralized under PDPA.

Note 5 - Deposits and Investments (continued)

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, 2025, the Town's investments included funds held in government Colotrust.

The Town had invested $2,692,182 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.

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, 2025 is as follows:

Cash on hand	$ 400
Cash in bank	2,999,086
Colotrust	2,692,185
Total cash and investments	$ 5,691,671

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 2025:

	Transfers	
Funds	In	Out
General Fund	$ 265,663	$ 645,000
Grant Fund	-	265,663
Capital Improvement Fund	270,000	-
Street and alleys Fund	280,000	-
URA	20,000	-
Area Transit System Fund	75,000	-
Totals	$ 910,663	$ 910,663

Note 7 - Long-Term Liabilities

Schedule of Long-Term Debt

Governmental Activities	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due within one year
Compensated absences	$ 141,238	$ 15,598	$ -	$ 156,836	$ 156,836
Total	$ 141,238	$ 15,598	$ -	$ 156,836	$ 156,836
Enterprise Activities					
Note payable-Alpine Bank	$ 152,900	$ -	$ (24,097)	$ 128,803	$ 6,974
Compensated absences	43,170	5,926	-	49,096	49,096
Total	$ 196,070	$ 5,926	$ (24,097)	$ 177,899	$ 56,070

Alpine Bank

The town borrowed an additional $175,000 at 6.50% on the loan in 2018 with an additional monthly payment of $1,265.02. 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
2025	$ 6,974	$ 8,206	$ 15,180
2026	7,441	7,739	15,180
2027	7,939	7,241	15,180
2028	8,471	6,709	15,180
2029	9,038	6,142	15,180
2030 to 2034	55,123	20,779	75,902
2035 to 2039	33,817	2,917	36,734
Total	$ 128,803	$ 59,733	$ 188,536

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 CRA 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, 2025, the Town's total payroll was $1,857,660, the total covered payroll by the retirement plan was $1,222,065. During 2025, the Town and employees each made their respectively required contribution of $61,286 and $61,286, for a total of $122,572. Complete financial statements for the retirement plans may be obtained from CRA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Defined Benefit Plan- SWDB

Plan Description

The Town’s police officers participate in the Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Description of Benefits

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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.

The annual retirement benefit for the Defined Benefit Component is 2.0 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 of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from O percent to the higher of 3 percent or the Consumer Price Index

for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.00 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions form the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

As reported in FPPA's Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2024 Annual Report, employer contributions to the Statewide Retirement Plan were $109,033,068 compared to total employer contributions of $109,037,538 on the Schedule of Employer Contributions. Adjustments were made to annualize employer contributions related to employers newly contributing to the plan, including employer departments completing reentry, and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the Statewide Retirement Plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

Actuarial Valuation Dates

The collective total pension liability as of December 31, 2024 is based upon the January 1, 2025 actuarial valuation. The actuarially determined contributions as of December 31, 2024 are based upon the January 1, 2024 actuarial valuation.

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

At December 31, 2025, the Entity reported a net pension liability of $ 0. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. 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, 2024, the Town's proportion was 0.04152%, which was an increase of 0.00562% from its proportion of 0.03590% measured as of December 31, 2023.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2025, the Town recognized pension expense of $2,992 related to the SWDB.

At December 31, 2025, 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	$ 99,775	$ 3,121
Changes in assumptions	35,709	-
Net difference between projected and actual earnings on pension plan investments	14,174	-
Contributions subsequent to the measurment date	49,559	-
Total	$ 199,217	$ 3,121

The SWDB plan reported $49,559 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, 2025.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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:		
2025	$	40,808
2026	$	60,297
2027	$	4,265
2028	$	6,325
2029	$	13,901
Thereafter	$	20,942

The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations 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%-11.75%
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 Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. 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 Pub-2010 Safety Healthy 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.

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 2023 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, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Note 9 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.00%
Fixed Income- Rates	7%	5.00%
Fixed Income- Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	1%	4.20%
Total	100.00%	

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 percent; the municipal bond rate is 4.08 percent (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 percent.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan 's net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
$202,621	$ -	$ -

Note 10 - Capital Assets

Governmental Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Land	$ 3,121,003	$ 30,290	$ -	$ 3,151,293
	3,121,003	30,290	-	3,151,293
Capital assets being depreciated				
Buildings	5,209,448	429,041	-	5,638,489
Improvements/infrastructure	9,025,851	791,411	-	9,817,262
Furniture and equipment	243,631	-	-	243,631
Machinery and equipment	834,287	52,009	-	886,296
Vehicles	1,263,266	216,444	(161,556)	1,318,154
	16,576,483	1,488,905	(161,556)	17,903,832
Less accumulated depreciation				
Buildings	(1,747,716)	(140,785)	-	(1,888,501)
Improvements/infrastructure	(6,342,364)	(503,435)	-	(6,845,799)
Furniture and equipment	(228,516)	(8,149)	-	(236,665)
Machinery and equipment	(491,018)	(56,296)	-	(547,314)
Vehicles	(799,314)	(151,215)	156,512	(794,017)
	(9,608,928)	(859,880)	156,512	(10,312,296)
Capital asset being depreciated, net	6,967,555	629,025	(5,044)	7,591,536
Total Capital Assets	$ 10,088,558	$ 659,315	$ (5,044)	$ 10,742,829

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

General government	$ 99,158
Public safety	137,254
Highway and streets	444,567
Culture and recreation	178,901
Total	$ 859,880

Note 10 - Capital Assets (continued)

Business - Type Activities	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets not being depreciated				
Land and water rights	$ 287,168	$ -	$ -	$ 287,168
Capital assets being depreciated				
Water utility system	3,038,625	-	-	3,038,625
Wastewater utility system	1,019,132	-	-	1,019,132
Water and storage tanks	848,143	-	-	848,143
Machinery and equipment	352,445	-	(30,000)	322,445
Building	-	40,000	-	40,000
Vehicles	218,701	52,729	-	271,430
Less accumulated depreciation	(3,310,926)	(123,668)	30,000	(3,404,594)
Capital assets being depreciated, net	2,166,120	(30,939)	-	2,135,181
Total Business-Type Activities Capital Assets	$ 2,453,288	$ (30,939)	$ -	$ 2,422,349

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	$ 84,565
Wastewater Fund	30,189
Area Transit System Fund	8,914
Total	$ 123,668

REQUIRED SUPPLEMENTARY INFORMATION

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, 2025 (Measurement Date)

	2024	2023	2022	2021	2020	2019	2018
Town's portion of the net pension assets (liability)	0.41521%	0.03590%	0.03424%	0.03450%	0.35484%	0.03215%	0.04390%
Town's proportionate share of the net pension asset (liability)	$ -	$ -	$ (30,391)	$ 186,965	$ 22,801	$ 18,185	$ (55,502)
Town's covered payroll	$ 472,828	$ 398,299	$ 321,320	$ 285,013	$ 236,988	$ 256,288	$ 294,287
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	0.00%	0.00%	-9.46%	65.60%	9.62%	24.59%	-7.06%
Plan fiduciary net position as a percentage of the total pension assets/(liability)	100.00%	100.00%	97.60%	116.20%	106.70%	101.90%	95.20%

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, 2025 (Measurement Date)

	2024	2023	2022	2021	2020	2019	2018
Contractually required contributions	$ 45,274	$ 33,504	$ 26,810	$ 22,801	$ 18,959	$ 20,503	$ 23,543
Contributions in relation to the contractually required contribution	$ 45,274	$ 33,504	$ 26,810	$ 22,801	$ 18,959	$ 20,503	$ 23,543
Contribution (excess) deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 472,828	$ 398,299	$ 321,320	$ 285,013	$ 236,988	$ 256,288	$ 294,287
Contributions as a percentage of covered payroll	9.58%	8.41%	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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Property Tax	$ 545,446	$ 545,446	**$ 546,040**	$ 594
Sales Tax	2,386,000	2,386,000	**2,441,139**	55,139
Use Tax	75,000	75,000	**33,281**	(41,719)
Lodging Tax	115,000	115,000	**97,373**	(17,627)
Other Tax	8,000	8,000	**7,318**	(682)
Fines and Forfeitures	50,050	50,050	**100,825**	50,775
Licenses and Permits	47,375	47,375	**20,645**	(26,730)
State Mineral Severance	44,000	44,000	**2,747**	(41,253)
Sate Mineral Lease	130,000	130,000	**115,525**	(14,475)
Miscellaneous	155,125	155,125	**178,346**	23,221
Interest	60,000	60,000	**42,571**	(17,429)
Total revenues	3,615,996	3,615,996	**3,585,810**	(30,186)
Expenditures				
Executive	184,240	184,240	**120,407**	63,833
Finance	404,318	404,318	**359,722**	44,596
Town Clerk	125,575	125,575	**107,582**	17,993
Police Department	944,320	944,320	**896,185**	48,135
Records	93,085	93,085	**95,832**	(2,747)
Community Development	180,355	180,355	**189,871**	(9,516)
Economic Development	383,460	383,460	**393,432**	(9,972)
Building Maintenance	201,950	201,950	**206,850**	(4,900)
Parks	311,650	311,650	**301,550**	10,100
Contributions	53,300	53,300	**39,184**	14,116
Other Departments	464,599	464,599	**339,473**	125,126
Total Expenditures	3,346,852	3,346,852	**3,050,088**	296,764
Excess of Revenues over (under) Expenditures	269,144	269,144	**535,722**	266,578
Other Financing Sources (Uses)				
Transfers In	265,664	265,664	**265,663**	1
Transfers (Out)	(645,000)	(645,000)	**(645,000)**	-
Change in available resources	(110,192)	(110,192)	**156,385**	266,577
Fund Balance, January 1	866,507	866,507	**1,126,277**	259,770
Fund Balance, December 31	$ 756,315	$ 756,315	**$ 1,282,662**	$ 526,347

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Reserve Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Interest Income	$ 115,000	$ 115,000	**$ 85,860**	$ (29,140)
Total revenues	115,000	115,000	**85,860**	(29,140)
Expenditures				
Expenditures	-	-	**-**	-
Total expenditures	-	-	**-**	-
Change in available resources	115,000	115,000	**85,860**	(29,140)
Fund balance, January 1	2,303,512	2,303,512	**2,307,562**	4,050
Fund balance, December 31	$ 2,418,512	$ 2,418,512	**$ 2,393,422**	$ (25,090)

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	**Final**	**Actual**	**(Unfavorable)**
Revenues				
Grants	$ 1,365,000	$ 2,815,000	**$ 1,442,277**	$ (1,372,723)
Total revenues	1,365,000	2,815,000	**1,442,277**	(1,372,723)
Expenditures				
Capital Outlay	2,276,320	3,861,320	**1,852,799**	2,008,521
Total expenditures	2,276,320	3,861,320	**1,852,799**	2,008,521
Excess of Revenues over (under) Expenditures	(911,320)	(1,046,320)	**(410,522)**	(3,381,244)
Other Financing Sources (Uses)				
Net Transfers In (Out)	270,000	270,000	**270,000**	-
Change in available resources	(641,320)	(776,320)	**(140,522)**	635,798
Fund Balance, January 1	812,058	812,058	**912,662**	100,604
Fund Balance, December 31	$ 170,738	$ 35,738	**$ 772,140**	$ 736,402

Town of Parachute
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Urban Renewal Authority	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 49,480	$ 240,222	$ -	$ 20,000	$ 309,702
Accounts receivable	-	9,003	-	-	9,003
Total assets	$ 49,480	$ 249,225	$ -	$ 20,000	$ 318,705
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	$ -	$ 3,292	$ -	$ -	$ 3,292
Accrued Payroll	-	6,158	-	-	6,158
Total liabilities	-	9,450	-	-	9,450
Fund balances:					
Unreserved:	49,480	239,775	-	20,000	309,255
Total liabilities and fund balances	$ 49,480	$ 249,225	$ -	$ 20,000	$ 318,705

Town of Parachute
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Conservation Trust Fund	Streets and Alleys Fund	Grant Fund	Urban Renewal Authority	Total Nonmajor Governmental Funds
REVENUES					
Taxes	$ -	$ 48,810	$ -	$ -	$ 48,810
Intergovernmental	8,371	58,613	-	-	66,984
Interest Income	1,735	7,735	-	-	9,470
Miscellaneous	-	18,372	-	-	18,372
Total revenues	10,106	133,530	-	-	143,636
EXPENDITURES					
Street and Alleys	-	297,529	-	-	297,529
Total expenditures	-	297,529	-	-	297,529
Excess revenues over (under) expenditures	10,106	(163,999)	-	-	(153,893)
Other Financing Sources (Uses)					
Transfers in (out)	-	280,000	(265,663)	20,000	34,337
Other Financing Sources (Uses)	-	280,000	(265,663)	20,000	34,337
Net change in fund balance	10,106	116,001	(265,663)	20,000	(119,556)
Fund balance, January 1	39,374	123,774	265,663	-	428,811
Fund balance, December 31	$ 49,480	$ 239,775	$ -	$ 20,000	$ 309,255

Town of Parachute
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Lottery funds	$ 9,500	$ 9,500	**$ 8,371**	$ (1,129)
Interest	-	-	**1,735**	1,735
Total revenues	9,500	9,500	**10,106**	606
Expenditures				
Capital Projects	-	-	**-**	-
Total expenditures	-	-	**-**	-
Change in available resources	9,500	9,500	**10,106**	606
Fund Balance, January 1	39,781	39,781	**39,374**	(407)
Fund Balance, December 31	$ 49,281	$ 49,281	**$ 49,480**	$ 199

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Taxes	$ 37,000	$ 37,000	**$ 48,810**	$ 11,810
Intergovernmental	71,502	71,502	**58,613**	(12,889)
Interest Income	-	-	**7,735**	7,735
Miscellaneous	2,000	2,000	**18,372**	16,372
Total revenues	110,502	110,502	**133,530**	23,028
Expenditures				
Street and Alleys	390,440	390,440	**297,529**	92,911
Total expenditures	390,440	390,440	**297,529**	92,911
Excess of Revenues over (under) Expenditures	(279,938)	(279,938)	**(163,999)**	115,939
Other Financing Sources (Uses)				
Transfers In/out	280,000	280,000	**280,000**	-
Change in available resources	62	62	**116,001**	115,939
Fund Balance, January 1	67,340	67,340	**123,774**	56,434
Fund Balance, December 31	$ 67,402	$ 67,402	**$ 239,775**	$ 172,373

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Grant Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Grant Revenues	$ -	$ -	**$ -**	$ -
Total revenues	-	-	**-**	-
Expenditures				
Expenditures	-	-	**-**	-
Total expenditures	-	-	**-**	-
Excess of revenues over (under) expenditures	-	-	**-**	-
Other Financing Sources (Uses)				
Transfers In (Out)	(265,664)	(265,664)	(265,663)	1
Change in available resources	(265,664)	(265,664)	**(265,663)**	1
Fund balance, January 1	265,664	265,664	**265,663**	(1)
Fund balance, December 31	$ -	$ -	**$ -**	$ -

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Urban Renewal Authority
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Revenues	$ -	$ -	**$ -**	$ -
Total revenues	-	-	**-**	-
Expenditures				
Contracted services	15,000	15,000	**-**	15,000
Total expenditures	15,000	15,000	**-**	15,000
Excess of revenues over (under) expenditures	(15,000)	(15,000)	**-**	15,000
Other Financing Sources (Uses)				
Transfers In (Out)	20,000	20,000	**20,000**	-
Change in available resources	5,000	5,000	**20,000**	15,000
Fund balance, January 1	-	-	**-**	-
Fund balance, December 31	$ 5,000	$ 5,000	**$ 20,000**	$ 15,000

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 492,500	$ 492,500	**$ 566,982**	$ 74,482
Interest Income	50	50	**23,740**	23,690
Grants	250,000	250,000	**15,000**	(235,000)
Tap Fees	30,000	30,000	**38,530**	8,530
Miscellaneous	200	200	**1,120**	920
Total revenues	772,750	772,750	**645,372**	(127,378)
Expenditures				
Personnel	287,650	287,650	**284,386**	3,264
Office	24,020	24,020	**25,346**	(1,326)
Operations Supplies	19,900	19,900	**19,791**	109
Water	10,000	10,000	**14,123**	(4,123)
Repairs and Maintenance	45,500	45,500	**45,720**	(220)
Purchased Services	6,000	6,000	**-**	6,000
Insurance	16,070	16,070	**15,228**	842
Utilities	33,100	33,100	**26,016**	7,084
Professional Services	41,000	41,000	**21,828**	19,172
Other Expenses	96,000	96,000	**46,523**	49,477
Debt Service	31,540	31,540	**33,923**	(2,383)
Capital Outlay	443,700	446,850	**37,969**	408,881
Total expenditures	1,054,480	1,057,630	**570,853**	486,777
Change in available resources	(281,730)	(284,880)	**74,519**	359,399
Available resources, January 1	556,965	556,965	**673,198**	116,233
Available resources, December 31	$ 275,235	$ 272,085	**$ 747,717**	$ 475,632

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Wastewater Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 345,000	$ 345,000	**$ 378,852**	$ 33,852
Interest Income	-	-	**11,786**	11,786
Grant Revenue	-	-	**15,000**	15,000
Tap Fees	15,750	15,750	**-**	(15,750)
Total revenues	360,750	360,750	**405,638**	44,888
Expenditures				
Personnel	97,260	97,260	**91,486**	5,774
Office	4,330	4,330	**3,831**	499
Operations Supplies	1,200	1,200	**3,393**	(2,193)
Treatment	217,500	217,500	**183,130**	34,370
Repairs and Maintenance	22,000	22,000	**9,711**	12,289
Purchased Services	3,030	3,030	**-**	3,030
Utilities	8,900	8,900	**5,832**	3,068
Professional Services	13,000	13,000	**5,000**	8,000
Other Expenses	26,460	26,460	**16,795**	9,665
Capital Outlay	97,500	100,650	**49,036**	51,614
Total expenditures	491,180	494,330	**368,214**	126,116
Change in available resources	(130,430)	(133,580)	**37,424**	171,004
Available Resources, January 1	307,377	307,377	**322,694**	15,317
Available Resources, December 31	$ 176,947	$ 173,797	**$ 360,118**	$ 186,321

Town of Parachute
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Garbage Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ 85,100	$ 85,100	**$ 75,990**	$ (9,110)
Interest Income	-	-	**3,151**	3,151
Total revenues	85,100	85,100	**79,141**	(5,959)
Expenditures				
Contract Hauler	92,212	92,212	**70,727**	21,485
Total expenditures	92,212	92,212	**70,727**	21,485
Change in available resources	(7,112)	(7,112)	**8,414**	15,526
Available resources, January 1	87,351	87,351	**85,403**	(1,948)
Available resources, December 31	$ 80,239	$ 80,239	**$ 93,817**	$ 13,578

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Charges for Services	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures				
Personnel	-	-	-	-
Total expenditures	-	-	-	-
Change in available resources	-	-	-	-
Available resources, January 1	5,103	5,103	**5,103**	-
Available resources, December 31	$ 5,103	$ 5,103	**$ 5,103**	$ -

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, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Grants	$ 537,752	$ 537,752	**$ 265,000**	$ (272,752)
Charges for Services	17,200	17,200	**12,265**	(4,935)
Interest Income	-	-	**9,362**	9,362
Total revenues	554,952	554,952	**286,627**	(268,325)
Expenditures				
Personnel	281,150	281,150	**268,650**	12,500
Operations Supplies	1,750	1,750	**745**	1,005
Repairs and Maintenance	16,500	16,500	**8,965**	7,535
Purchased Services	13,000	13,000	**15,000**	(2,000)
Insurance	5,210	5,210	**4,937**	273
Utilities	1,350	1,350	**1,078**	272
Professional Services	750	750	**-**	750
Other Expenses	362,700	362,700	**32,202**	330,498
Capital Outlay	40,000	40,000	**40,000**	-
Total expenditures	722,410	722,410	**371,577**	350,833
Excess of Revenues over (under) Expenditures	(167,458)	(167,458)	**(84,950)**	82,508
Other Financing Sources (Uses)				
Transfers in	75,000	75,000	**75,000**	-
Change in available resources	(92,458)	(92,458)	**(9,950)**	82,508
Available resources, January 1	319,694	319,694	**315,638**	(4,056)
Available resources, December 31	$ 227,236	$ 227,236	**$ 305,688**	$ 78,452

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:		STATE: COLORADO
Town of Parachute	Teresa Beecraft	tbeecraft@parachute.gov	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

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

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 Assesments	0.00	a. Interest on investments	7,735.01
b. Non-property Taxes and Assessments Imposts	48,810.23	b. Other Misc. Local Receipts	18,370.95
c. Total (a + b)	$ 48,810.23	**c. Total (a + b)**	$ 26,105.96

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	58,612.80	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds		2. Other Federal Agencies:	0.00
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	0.00		
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 58,612.80	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	5,472.09
b. Engineering Costs	9,375.00
c. Construction Costs	605,684.41
d. Total Capital Outlay (a+ b + c)	$ 620,531.50

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	280,000.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 48,810.23
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 26,105.96
5. Transfers from Toll Facilities	0.00
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 354,916.19
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 58,612.80
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 413,528.99

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 620,531.50
2. Maintenance:	52,048.04
3. Road and Street Services:	
a. Snow and Ice Removal	1,859.00
b. Other & Traffic Control Operations	46,084.49
c. Total (a + b)	$ 47,943.49
4. General Administration & Miscellaneous	193,924.17
5. Highway Law Enforcement and Safety	0.00
6. Total (1 through 5)	$ 914,447.20
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 914,447.20

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -