

City of Rifle, Colorado

Financial Statements
with Independent Auditors' Report

December 31, 2019



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

City of Rifle, Colorado

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December 31, 2019

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Independent Auditors' Report

City Council
City of Rifle
City of Rifle, Colorado

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 City of Rifle as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Rifle, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rifle as of December 31, 2019, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rifle's basic financial statements. The introductory section, combining and individual fund statements and schedules, statistical section, and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hick & Company, PC



City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

As management of the City of Rifle, Colorado, we offer readers of the City of Rifle financial statements, this narrative overview, and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

Financial Highlights

- The assets of the City of Rifle exceeded its liabilities at the close of 2019 by \$138,865,268 (net position). Of this amount; \$102,655,586 is net investment in capital assets, \$2,268,874 is restricted, and \$33,940,808 is unrestricted and may be used to meet the government's ongoing obligations.
- Total net position, city-wide, increased by \$1,772,971 or 1.3%.
- General fund unassigned fund balance at December 31, 2019 is \$7,455,370, 93% of 2019 total general fund expenditures.
- The business-type activities net position increased \$2,970,383 to \$64,261,555 during the year. The Water Fund increased \$2,409,882; Sewer Fund increased \$1,171,176; and the Sanitation Fund decreased \$610,675.

Overview of Report

This discussion and analysis is intended to serve as an introduction to the City of Rifle's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business, on an accrual basis. Note 1 to the statements, starting on p. 13, provides a further description of the related *Statement of Net Position* and *Statement of Activities*, which report City activities in two categories - *governmental activities* and *business-type activities*.

Governmental activities are most of the City's basic services including general administration, police, property inspection, public works, cemetery, parks maintenance and recreation, senior services, downtown development, visitor improvement, and urban renewal. Taxes and intergovernmental revenues principally support these services.

Business-type activities include the City's water, wastewater (sewer) and sanitation (trash) services. Customer service fees are expected to cover all or most of the cost of services provided support these activities.

The government-wide financial statements can be found on pages 3-4 of this report, and are described further in Note 1 to the Financial Statements, starting on p. 12.

City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

Fund financial statements – A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rifle, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories, **governmental funds**, **proprietary funds**, and **fiduciary funds**. The City of Rifle adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statutes.

- 1) **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the *government-wide financial statements*, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year, using the *modified accrual basis*. See Note 1 for more detail.

Because the focus of governmental funds is narrower than that of the *government-wide financial statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund *balance sheet* and the governmental fund *statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Rifle maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds which include the General Fund, Street Improvement Fund, and the Parks and Recreation Fund. Data from the other (non-major) funds are combined into a single, aggregated presentation with the column heading Other Governmental Funds. The non-major funds are Conservation Trust, Visitor Improvement, Downtown Development Authority, Rifle Tourism and Industry, Urban Renewal Authority, and Capital Fund. The basic governmental financial statements for the major funds are found on pages 5-8 of this report. The basic governmental financial statements for the non-major funds are found on pages 34-42.

- 2) **Proprietary funds** – The City of Rifle maintains two different types of proprietary funds; Enterprise and Internal Service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and sanitation operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Rifle uses two internal service funds to account for its fleet maintenance and information technology operations. Because most of these services predominantly benefit the governmental rather than the business-type functions, and are included with the governmental activities in the government-wide financial statements.

City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the proprietary funds. However, only the water and sewer funds are considered major funds.

The basic proprietary fund financial statements can be found on pages 9-11 of this report. The budget and actual reports are shown on pages 40-42.

- 3) Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of outside parties. The City's only fiduciary fund is the Cemetery Perpetual Care Fund. The fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support City operations.

Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-26 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Rifle. This information is presented in the State Compliance section on pages 43-44.

Government-wide Financial Results

The City of Rifle's net position may serve over time as a useful indicator of the City's financial position. The City of Rifle's assets exceeded its liabilities (net position) at the close of 2019 by \$138,865,268.

The largest portion of the City's net position (74%) is the investment in capital assets (e.g. land, buildings, infrastructure, and equipment); less any related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens, and consequently are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the related resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

Net Position

The following table shows the City's net position for 2019 as compared to 2018.

STATEMENT OF NET POSITION December 31, 2019 and 2018

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 26,086,043	\$ 24,778,482	\$ 12,411,129	\$ 11,386,333	\$ 38,497,172	\$ 36,164,815
Capital assets (net)	50,600,128	52,809,004	85,644,714	86,216,727	136,244,842	139,025,731
Total assets	<u>76,686,171</u>	<u>77,587,486</u>	<u>98,055,843</u>	<u>97,603,060</u>	<u>174,742,014</u>	<u>175,190,546</u>
Deferred Outflows:						
Deferred Charge on Refunding	-	-	-	-	-	-
Other liabilities	734,472	650,838	789,687	649,095	1,524,159	1,299,933
Long-term liabilities	682,032	522,190	32,934,706	35,697,773	33,616,738	36,219,963
Total liabilities	<u>1,416,504</u>	<u>1,173,028</u>	<u>33,724,393</u>	<u>36,346,868</u>	<u>35,140,897</u>	<u>37,519,896</u>
Deferred Inflows:						
Unavailable Revenue - Property Taxes	665,954	613,333	69,897	69,897	735,851	683,230
Net position:						
Invested in capital assets net of related debt	49,831,587	52,314,215	52,747,148	50,623,827	102,578,735	102,938,042
Nonspendable Cemetery Perpetual Care	253,538	242,590			253,538	242,590
Restricted For:						
for Emergencies	408,286	404,000	158,418	139,500	566,704	543,500
for Parks and Recreation	158,501	158,501			158,501	158,501
for Debt Service and O&M Reserves			1,156,509	1,013,500	1,156,509	1,013,500
Assigned for:						
for Channel10	24,954	23,088			24,954	23,088
for Senior Center Meals and Capital	106,196	104,621			106,196	104,621
for Police Expenditures	2,472	2,472			2,472	2,472
Unrestricted	23,818,179	22,551,638	10,199,480	9,514,345	34,017,659	32,065,983
Total Net Position	<u>\$ 74,603,713</u>	<u>\$ 75,801,125</u>	<u>\$ 64,261,555</u>	<u>\$ 61,291,172</u>	<u>\$ 138,865,268</u>	<u>\$ 137,092,297</u>

An additional portion of the City's net position balance (1.6%) represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted* balance of (24.4%) may be used to meet the City's ongoing obligations to citizens and creditors.

Restricted net position is the portion of net position legally restricted less any non-capital-related liabilities payable from those resources. As of December 31, 2019, restricted net position in the governmental activities included the following: Cemetery Perpetual Care (\$253,538), Channel 10 (\$24,954), TABOR Emergencies (\$408,286), Senior Center Meals and Capital (\$106,196), Police (\$2,472), and Parks and Recreation (\$158,501). The Business-Type Activities includes restricted net position of the following: Debt Service and O&M reserves (\$1,156,509), and TABOR Emergencies (\$158,418). The remaining balance of net position (unrestricted net position) totals \$33,940,808. These assets may be used to meet the City's ongoing obligations to citizens and creditors.

City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

Changes in Net Position

The following summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balance (as on p.7 of the report), with a comparison to the prior year.

	SUMMARY OF CHANGES IN NET POSITION For Years Ended December 31, 2019 and 2018					
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for services	\$ 2,041,676	\$ 1,320,339	\$ 8,138,203	\$ 7,980,549	\$ 10,179,879	\$ 9,300,888
Operating grants and contributions	1,635,253	\$ 1,128,906	2,266	14,881	1,637,519	1,143,787
Capital grants and contributions	272,276	\$ 1,184,253	971,487	293,962	1,243,763	1,478,215
General Revenues:						
Property taxes	736,058	735,249	-	-	736,058	735,249
Sales and use taxes	9,220,125	8,683,033	1,863,138	1,800,689	11,083,263	10,483,722
Other taxes	537,211	462,054	-	-	537,211	462,054
Investment earnings	406,828	253,402	185,566	123,344	592,394	376,746
Other revenues	82,676	175,718	35,829	27,846	118,505	203,564
Total revenues	<u>14,932,103</u>	<u>13,942,954</u>	<u>11,196,489</u>	<u>10,241,271</u>	<u>26,128,592</u>	<u>24,184,225</u>
EXPENSES						
General government	3,343,142	3,095,405	-	-	3,343,142	3,095,405
Public Safety	2,946,886	2,941,948	-	-	2,946,886	2,941,948
Public Works	4,453,472	4,066,388	-	-	4,453,472	4,066,388
Cemetery	2,455	1,545	-	-	2,455	1,545
Parks and recreation	4,625,773	2,822,299	-	-	4,625,773	2,822,299
Economic development and assistance	1,358,041	1,025,805	-	-	1,358,041	1,025,805
Interest Expense	1,746	11,634	-	-	1,746	11,634
Water operations	-	-	4,486,838	3,674,941	4,486,838	3,674,941
Sewer operations	-	-	2,507,711	2,911,350	2,507,711	2,911,350
Sanitation operations	-	-	629,557	610,068	629,557	610,068
Total expenses	<u>16,731,515</u>	<u>13,965,024</u>	<u>7,624,106</u>	<u>7,196,359</u>	<u>24,355,621</u>	<u>21,161,383</u>
Increase in net assets before transfers	(1,799,412)	(22,070)	3,572,383	3,044,912	1,772,971	3,022,842
Transfers	602,000	63,859	(602,000)	(63,859)	-	-
Increase in net assets	<u>(1,197,412)</u>	<u>41,789</u>	<u>2,970,383</u>	<u>2,981,053</u>	<u>1,772,971</u>	<u>3,022,842</u>
Net Position, Beginning of year	75,801,125	75,759,336	61,291,172	58,310,119	137,092,297	134,069,455
Prior Period Restatement	-	-	-	-	-	-
Net Position, end of year	<u>\$ 74,603,713</u>	<u>\$ 75,801,125</u>	<u>\$ 64,261,555</u>	<u>\$ 61,291,172</u>	<u>\$ 138,865,268</u>	<u>\$ 137,092,297</u>

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCE

The City of Rifle uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds statements is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

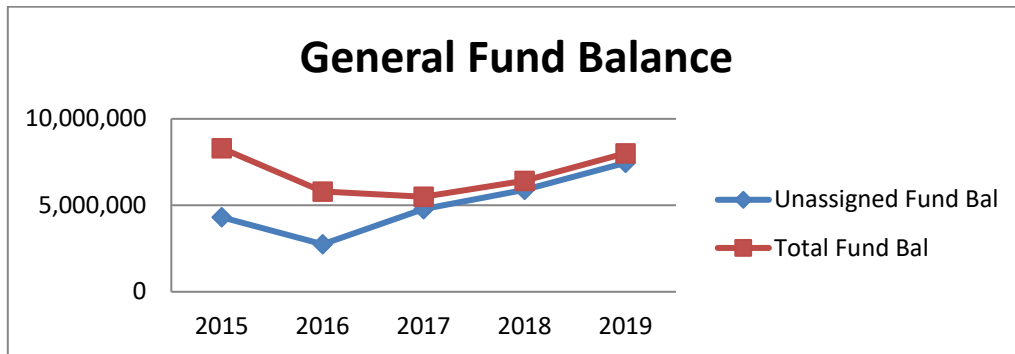
City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

One of the differences between the governmental activities as reported in the government-wide *Statement of Activities* and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new assets are capitalized and only depreciation expense for those assets is reported in the *Statement of Activities*. In the individual governmental fund financial statements, the expenditure for the capital asset acquisitions is reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balance*. Therefore, governmental fund capital outlay expenditures of \$1,439,092 acquired in 2019 (page 8) are not reflected in the *Statement of Activities*.

At year-end 2019, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 5) reported a combined fund balance of \$24,170,615, an increase of \$1,029,648 from the prior year. The General Fund balance increased \$1,587,048 or 24.7%. The Street Improvement Fund balance decreased \$83,636 or 1% The Parks and Recreation Fund balance increased \$557,859 or 34%.

The General Fund unassigned fund balance at December 31, 2019 was \$7,455,370, or 93% of 2019 annual expenditures. Unassigned fund balance increased \$1,565,134 with revenues exceeding expenditures by \$1,567,048. The following chart gives a 5-year trend analysis of these amounts.



Proprietary Funds – The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. The Proprietary Funds include the Water, Wastewater (Sewer), and Sanitation (Trash) Funds.

The Proprietary Fund Net Position increased \$2,970,383 to \$64,261,555. Investment in capital assets, net of related debt represents 83% of total net position.

City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

ENTERPRISE FUND NET POSITION December 31, 2019 and 2018

	Water		Wastewater		Sanitation		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Investment in capital assets net of related debt	\$ 35,844,150	\$ 33,754,772	\$ 16,902,998	\$ 16,869,055	\$ -	\$ -	\$ 52,747,148	50,623,827
Restricted:								
For Capital Improvements					-	-	-	-
For Emergencies	158,418	139,500			-	-	158,418	139,500
For Debt Service from Sales Tax	-	-			-	-	-	-
For Operations and Maintenance Reserve	594,782	532,500	561,727	481,000	-	-	1,156,509	1,013,500
Unrestricted	7,682,391	7,443,087	2,338,777	1,282,271	178,312	788,987	10,199,480	9,514,345
Total net position	<u>\$ 44,279,741</u>	<u>\$ 41,869,859</u>	<u>\$ 19,803,502</u>	<u>\$ 18,632,326</u>	<u>\$ 178,312</u>	<u>\$ 788,987</u>	<u>\$ 64,261,555</u>	<u>\$ 61,291,172</u>

In the Wastewater Fund, a new treatment plant was completed in 2009. The plant was funded via Colorado Water Resources and Power Development Authority. Annual increases in wastewater user fees of 5% or 10% assist with meeting the debt covenants.

A replacement Water Treatment plant was constructed with \$23.8 million obtained from the Colorado Water Resources and Power Development Authority. Water user fees and voter-approved .75% sales and use tax are being used to pay back the loan.

Unrestricted net position is reserved for the operation and maintenance component of all the proprietary funds. Both the Water Fund and Sewer Fund continue to increase user fees annually to meet increasing costs of operation and to replace decaying infrastructure, which includes collection and distribution lines. The increases for both 2017 and 2018 were 5%, and in 2019, only the Sewer Fund increased rates, by 10%. These annual increases are in accordance with Rifle Municipal Code.

In 2019, the Water fund increased Net Position by \$2,409,882. Wastewater increased by \$1,171,176. The Sanitation fund incurred a net decrease of \$610,675. Of that, \$600,000 was transferred to the Capital Improvement Fund, to help fund the construction of the new swimming pool.

Total unrestricted net position increased \$685,135 during 2019. The Water Fund's unrestricted net position increased by \$239,304; Wastewater Fund increased \$1,056,506; and the Sanitation Fund decreased \$610,675.

General Fund Budgetary Highlights

The General Fund reflects an increase in revenues of \$1,202,163 or 14% from 2018 and exceeded budget by \$1,184,049 and 14%. Expenditures increased \$474,630 from 2018 or 6.3% and were under budget by \$452,843, or 5.4%. Management and City Council continue to budget conservatively to ensure the City has the flexibility to address community needs.

City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

Capital Asset and Debt Administration

Capital assets – At the end of 2019, the City had \$136,244,843 invested in capital assets net of depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and trails. Total investment in capital assets for the current year decreased by a net 2%.

CAPITAL ASSETS AT YEAR-END (Net of Depreciation) As of December 31, 2019 and 2018						
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land & Rights	\$ 3,979,905	\$ 3,979,905	\$ 2,636,895	\$ 2,636,896	\$ 6,616,800	\$ 6,616,801
Construction in Process	0	336,816	0	0	-	336,816
Buildings	9,230,020	9,781,478	52,926,300	54,817,096	62,156,320	64,598,574
Improvements	35,748,102	36,795,716	29,600,408	28,360,246	65,348,510	65,155,962
Equipment	1,042,248	1,167,208	481,110	402,489	1,523,358	1,569,697
Int Svc Equipment & Vehicles	599,853	747,881	-	-	599,853	747,881
Total	<u>\$ 50,600,128</u>	<u>\$ 52,809,004</u>	<u>\$ 85,644,714</u>	<u>\$ 86,216,727</u>	<u>\$ 136,244,842</u>	<u>\$ 139,025,731</u>

Debt administration – At the end of 2019, the City of Rifle had a balance of \$33,157,569 outstanding in revenue bonds; revenue notes payable, notes payable and capital leases, including \$260,000 in construction loan for the pool renovation. Footnote disclosure number 4 on page 21 provides additional information regarding this and other obligations.

The City has no general obligation debt.

OUTSTANDING DEBT Years Ended December 31, 2019 and 2018						
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue bonds and notes payable	\$ -	\$ -	\$ 32,897,568	\$ 35,697,773	\$ 32,897,568	\$ 35,697,773
Construction Loan	\$ 260,001	\$ 50,001	-	-	\$ 260,001	\$ 50,001
Capital leases	-	-	-	-	-	-
Total	<u>\$ 260,001</u>	<u>\$ 50,001</u>	<u>\$ 32,897,568</u>	<u>\$ 35,697,773</u>	<u>\$ 33,157,569</u>	<u>\$ 35,747,774</u>

Certificates of Participation - In 2015, the City issued \$5,085,000 in certificates of participation for a water tank construction project with lease payments continuing until 2035.

City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2019

Economic Factors and the 2018 Budget

2019 saw an increase of 6.2% in the general fund in sales and use tax revenues. A conservative approach was taken in the preparation of the 2020 Budget which projected a 3% increase. The City is limiting its investment in new projects and focusing on repair and upkeep of its current facilities. In 2020 the municipal pool has been completely reconstructed, and a significant level of expenditure is directed to street and utility infrastructure. For all major projects the City intends to infuse grant funds from State and local granting agencies, and utilize sales tax revenues that are specifically dedicated to the particular funds.

The City of Rifle, as a result of thoughtful leadership and prudent management, built up the reserves in its General Fund. Recently the outbreak of the Coronavirus around the world resulted in directed closure of most businesses. This closure of the economy has negatively impacted many communities' revenue, particularly those highly reliant on tourism. The City of Rifle is not one of them, and is fortunate that our revenues have declined only slightly thus far. Governments have injected large sums of funding to support, stimulate and negate the directed closure of businesses. It is expected that this government funding is not sustainable and will terminate in the next few months. The economy will need to find its own strength, which may cause a transformation of the existing business landscape. Some will close and yet opportunities and efficiencies for some may strengthen. Within 2020 the economy may see an overall downturn but a more robust and returned return to business may follow. Given the City of Rifle's characteristics as the core supply and service to the region it should handle this downturn well.

So far, the economy has made a significant return to the high levels of economics which existed prior to the Coronavirus. However, it has not completely returned to prior levels at the time of this writing.

The City of Rifle has a strong number and value of building and development projects continuing. Funding for the many of the projects has been secured and project completion is expected in the next two years. The money spent completing these projects will circulate in our local economy over this time. With our adequate reserves the City will remain conservative in its spending until this economic downturn and current reversal process proves lasting.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance office at the City of Rifle, 202 Railroad Ave, Rifle, CO 81650.

Basic Financial Statements

City of Rifle, Colorado
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 24,248,551	\$ 11,266,000	\$ 35,514,551
Accounts Receivable	87,145	728,518	815,663
Taxes Receivable	1,679,344	195,696	1,875,040
Due from Other Governments	261	-	261
Investment Income Receivable	13,823	-	13,823
Inventory	56,919	219,419	276,338
Prepaid Expenses	-	1,496	1,496
Capital Assets, <i>Not Being Depreciated</i>	3,979,905	2,636,896	6,616,801
Capital Assets, <i>Net of Accumulated Depreciation</i>	46,620,223	83,007,819	129,628,042
 Total Assets	 <u>76,686,171</u>	 <u>98,055,844</u>	 <u>174,742,015</u>
Liabilities			
Accounts Payable	277,351	387,295	664,646
Accrued Salaries	132,617	79,322	211,939
Accrued Interest Payable	-	311,116	311,116
Deposits	89,977	10,000	99,977
Retainage Payable	148,018	-	148,018
Noncurrent Liabilities			
Due Within One Year	86,509	2,278,182	2,364,691
Due in More Than One Year	682,032	30,658,477	31,340,509
 Total Liabilities	 <u>1,416,504</u>	 <u>33,724,392</u>	 <u>35,140,896</u>
Deferred Inflows of Resources			
Property Taxes	665,954	69,897	735,851
Net Position			
Net Investment in Capital Assets	49,831,587	52,823,999	102,655,586
Restricted For:			
Cemetery Perpetual Care	253,538	-	253,538
Channel 10	24,954	-	24,954
Operations and Maintenance Reserve	-	1,156,509	1,156,509
Emergencies	408,286	158,418	566,704
Senior Center Meals and Capital	106,196	-	106,196
Police Expenditures	2,472	-	2,472
Parks and Recreation	158,501	-	158,501
Unrestricted	23,818,179	10,122,629	33,940,808
 Total Net Position	 <u>\$ 74,603,713</u>	 <u>\$ 64,261,555</u>	 <u>\$ 138,865,268</u>

City of Rifle, Colorado
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 3,343,142	\$ 1,620,579	\$ 1,042,719	\$ 187,926	\$ (491,918)	\$ -	\$ (491,918)
Public Safety	2,946,886	19,706	55,918	-	(2,871,262)	-	(2,871,262)
Public Works	4,453,472	-	416,552	84,350	(3,952,570)	-	(3,952,570)
Cemetery	2,455	21,805	-	-	19,350	-	19,350
Parks and Recreation	4,625,773	210,165	110,064	-	(4,305,544)	-	(4,305,544)
Economic Development	1,358,041	169,421	10,000	-	(1,178,620)	-	(1,178,620)
Interest on Long-Term Debt	1,746	-	-	-	(1,746)	-	(1,746)
Total Government Activities	16,731,515	2,041,676	1,635,253	272,276	(12,782,310)	-	(12,782,310)
<i>Business-Type Activities</i>							
Water Utility	4,486,838	4,000,507	2,266	858,926	-	374,861	374,861
Wastewater Utility	2,507,711	3,526,996	-	112,561	-	1,131,846	1,131,846
Sanitation Operations	629,557	610,700	-	-	-	(18,857)	(18,857)
Total Business-Type Activities	7,624,106	8,138,203	2,266	971,487	-	1,487,850	1,487,850
Total Primary Government	\$ 24,355,621	\$ 10,179,879	\$ 1,637,519	\$ 1,243,763	(12,782,310)	1,487,850	(11,294,460)
General Revenues							
Property Taxes					691,977	-	691,977
Specific Ownership Taxes					44,081	-	44,081
Sales and Use Taxes					9,220,125	1,863,138	11,083,263
Franchise Taxes					383,762	-	383,762
Other Taxes					153,449	-	153,449
Grants and Contributions not Restricted to Specific Programs					33,859	-	33,859
Investment Income					406,828	185,566	592,394
Other					48,817	35,829	84,646
Transfers					602,000	(602,000)	-
Total General Revenues					11,584,898	1,482,533	13,067,431
Change in Net Position							
Net Position, Beginning of year					75,801,125	61,291,172	137,092,297
Net Position, End of year					\$ 74,603,713	\$ 64,261,555	\$ 138,865,268

City of Rifle, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Assets						
Cash and Investments	\$ 7,658,251	\$ 8,643,717	\$ 2,085,049	\$ 3,554,380	\$ 1,728,350	\$ 23,669,747
Accounts Receivable	86,964	-	(12)	-	193	87,145
Taxes Receivable	1,217,972	130,464	260,928	-	-	1,609,364
Other Receivables	-	-	-	-	69,980	69,980
Interest Receivable	13,823	-	-	-	-	13,823
Due from Other Governments	-	-	-	-	261	261
Total Assets	<u>8,977,010</u>	<u>8,774,181</u>	<u>2,345,965</u>	<u>3,554,380</u>	<u>1,798,784</u>	<u>25,450,320</u>
Liabilities						
Accounts Payable	171,008	22,773	47,149	-	16,006	256,936
Accrued Liabilities	100,720	687	14,994	-	2,419	118,820
Retainage Payable	-	59,421	88,597	-	-	148,018
Deposits	79,387	-	350	-	10,240	89,977
Total Liabilities	<u>351,115</u>	<u>82,881</u>	<u>151,090</u>	<u>-</u>	<u>28,665</u>	<u>613,751</u>
Deferred Inflows of Resources						
Property Taxes	624,864	-	-	-	41,090	665,954
Fund Balances						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	253,538	253,538
Restricted For:						
Emergencies	408,286	-	-	-	-	408,286
Parks and Recreation	158,501	-	-	-	-	158,501
Assigned For:						
Channel 10	24,954	-	-	-	-	24,954
Senior Center Capital and Meals	106,196	-	-	-	-	106,196
Police Expenditures	2,472	-	-	-	-	2,472
Subsequent Year's Expenditures	-	-	-	-	-	-
Economic Development	-	-	-	-	1,233,395	1,233,395
Street Improvement	-	8,691,300	-	-	-	8,691,300
Parks and Recreation	-	-	2,194,875	-	-	2,194,875
Capital Improvements	-	-	-	3,554,380	-	3,554,380
Unrestricted, Unassigned	7,300,622	-	-	-	242,096	7,542,718
Total Fund Balances	<u>8,001,031</u>	<u>8,691,300</u>	<u>2,194,875</u>	<u>3,554,380</u>	<u>1,729,029</u>	<u>24,170,615</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,977,010</u>	<u>\$ 8,774,181</u>	<u>\$ 2,345,965</u>	<u>\$ 3,554,380</u>	<u>\$ 1,798,784</u>	<u>\$ 25,450,320</u>

City of Rifle, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2019

**Amounts Reported for Governmental Activities
 in the Statement of Net Position are Different Because:**

Total Fund Balances of Governmental Funds	\$ 24,170,615
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	50,000,275
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Notes Payable	(260,001)
Accrued Compensated Absences	(508,539)
Internal Service Funds are blended into Governmental Activities	<u>1,201,363</u>
Total Net Position of Governmental Activities	<u>\$ 74,603,713</u>

City of Rifle, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 6,285,869	\$ 1,242,092	\$ 2,484,185	\$ -	\$ 481,248	\$ 10,493,394
Licenses and Permits	437,020	190,491	-	-	-	627,511
Intergovernmental	1,654,168	80,900	1,632	69,070	119,932	1,925,702
Charges for Services	951,599	54,892	205,965	-	89,443	1,301,899
Investment Income	106,982	157,131	30,761	80,354	31,600	406,828
Other	132,747	3,300	222,104	-	96,593	454,744
Total Revenues	<u>9,568,385</u>	<u>1,728,806</u>	<u>2,944,647</u>	<u>149,424</u>	<u>818,816</u>	<u>15,210,078</u>
Expenditures						
Current						
General Government	3,126,410	-	-	-	-	3,126,410
Public Safety	2,943,138	-	-	-	-	2,943,138
Public Works	1,593,021	1,812,442	-	-	-	3,405,463
Parks and Recreation	-	-	1,993,013	-	-	1,993,013
Economic Development	338,768	-	-	-	593,977	932,745
Capital Outlay	-	-	1,970,778	62,657	337,229	2,370,664
Debt Service						
Principal	-	-	9,251	-	-	9,251
Interest and Fiscal Charges	-	-	1,746	-	-	1,746
Total Expenditures	<u>8,001,337</u>	<u>1,812,442</u>	<u>3,974,788</u>	<u>62,657</u>	<u>931,206</u>	<u>14,782,430</u>
Revenues Over (Under) Expenditures	<u>1,567,048</u>	<u>(83,636)</u>	<u>(1,030,141)</u>	<u>86,767</u>	<u>(112,390)</u>	<u>427,648</u>
Other Financing Sources (Uses)						
Transfers In	25,000	-	1,588,000	600,000	18,600	2,231,600
Transfers Out	(5,000)	-	-	(1,577,000)	(47,600)	(1,629,600)
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>-</u>	<u>1,588,000</u>	<u>(977,000)</u>	<u>(29,000)</u>	<u>602,000</u>
Net Change in Fund Balances	1,587,048	(83,636)	557,859	(890,233)	(141,390)	1,029,648
Fund Balances, Beginning of year	<u>6,413,983</u>	<u>8,774,936</u>	<u>1,637,016</u>	<u>4,444,613</u>	<u>1,870,419</u>	<u>23,140,967</u>
Fund Balances, End of year	<u>\$ 8,001,031</u>	<u>\$ 8,691,300</u>	<u>\$ 2,194,875</u>	<u>\$ 3,554,380</u>	<u>\$ 1,729,029</u>	<u>\$ 24,170,615</u>

City of Rifle, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2019

**Amounts Reported for Governmental Activities
 in the Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ 1,029,648
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlay	1,439,092
Depreciation Expense	(3,431,963)
Disposal of Capital Assets	(67,977)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount represents advances on the Construction Loan.</p>	
	(210,000)
<p>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.</p>	
Change in Accrued Compensated Absences	47,295
Change in Accrued Interest	1,605
<p>Internal Service Funds are blended into Governmental Activities:</p>	
Fleet Maintenance and Information Technology Funds, Change in Net Position	<u>(5,112)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,197,412)</u>

City of Rifle, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 8,300,125	\$ 2,798,683	\$ 167,192	\$ 11,266,000	\$ 578,803
Accounts Receivable	521,508	342,750	59,956	924,214	-
Prepaid Expenses	499	499	498	1,496	-
Inventory	209,664	9,755	-	219,419	56,919
Total Current Assets	<u>9,031,796</u>	<u>3,151,687</u>	<u>227,646</u>	<u>12,411,129</u>	<u>635,722</u>
<i>Noncurrent Assets</i>					
<i>Capital Assets</i>					
<i>Not Being Depreciated</i>	1,831,192	805,704	-	2,636,896	-
<i>Net of Accumulated Depreciation</i>	<u>57,155,741</u>	<u>25,852,078</u>	<u>-</u>	<u>83,007,819</u>	<u>599,853</u>
Total Noncurrent Assets	<u>58,986,933</u>	<u>26,657,782</u>	<u>-</u>	<u>85,644,715</u>	<u>599,853</u>
Total Assets	<u>68,018,729</u>	<u>29,809,469</u>	<u>227,646</u>	<u>98,055,844</u>	<u>1,235,575</u>
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	306,298	32,280	48,717	387,295	20,415
Accrued Liabilities	46,310	32,395	617	79,322	13,797
Accrued Interest Payable	172,536	138,580	-	311,116	-
Deposits	10,000	-	-	10,000	-
Unearned Revenue	21,969	47,928	-	69,897	-
Compensated Absences	1,954	-	-	1,954	-
Loan Payable - Current Portion	1,334,058	942,170	-	2,276,228	-
Total Current Liabilities	<u>1,893,125</u>	<u>1,193,353</u>	<u>49,334</u>	<u>3,135,812</u>	<u>34,212</u>
<i>Noncurrent Liabilities</i>					
Compensated Absences	37,138	-	-	37,138	-
Notes Payable	17,867,983	8,812,614	-	26,680,597	-
Certificates of Participation	3,940,742	-	-	3,940,742	-
Total Noncurrent Liabilities	<u>21,845,863</u>	<u>8,812,614</u>	<u>-</u>	<u>30,658,477</u>	<u>-</u>
Total Liabilities	<u>23,738,988</u>	<u>10,005,967</u>	<u>49,334</u>	<u>33,794,289</u>	<u>34,212</u>
Net Position					
Net Investment in Capital Assets	35,844,150	16,902,998	-	52,747,148	599,853
Restricted for:					
Emergencies	158,418	-	-	158,418	-
Operations and Maintenance Reserve	594,782	561,727	-	1,156,509	-
Assigned for:					
Subsequent Year's Expenditures	-	-	694,737	694,737	-
Unrestricted	<u>7,682,391</u>	<u>2,338,777</u>	<u>(516,425)</u>	<u>9,504,743</u>	<u>601,510</u>
Total Net Position	<u>\$ 44,279,741</u>	<u>\$ 19,803,502</u>	<u>\$ 178,312</u>	<u>\$ 64,261,555</u>	<u>\$ 1,201,363</u>

See Notes to Financial Statements.

City of Rifle, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total	Internal Service Funds
Operating Revenues					
Charges for Services	\$ 3,378,749	\$ 3,526,896	\$ 610,700	\$ 7,516,345	\$ 1,157,321
Sale of Materials	26,197	-	-	26,197	-
Grants	2,266	-	-	2,266	-
Other	595,561	100	-	595,661	-
Total Operating Revenues	<u>4,002,773</u>	<u>3,526,996</u>	<u>610,700</u>	<u>8,140,469</u>	<u>1,157,321</u>
Operating Expenses					
Personal Services	702,129	436,581	13,885	1,152,595	331,418
Supplies	72,282	69,249	-	141,531	170,879
Purchased Services	780,462	397,543	592,861	1,770,866	424,928
Other Expenses	11,410	4,008	(39)	15,379	-
Management Fees	148,361	131,158	21,800	301,319	-
Fleet Maintenance	31,376	34,583	-	65,959	2,341
Information Technology Maintenance	72,100	37,100	1,050	110,250	8,750
Small Equipment Purchases	535,127	-	-	535,127	44,241
Depreciation	1,657,834	1,072,068	-	2,729,902	188,736
Total Operating Expenses	<u>4,011,081</u>	<u>2,182,290</u>	<u>629,557</u>	<u>6,822,928</u>	<u>1,171,293</u>
Operating Income (Loss)	<u>(8,308)</u>	<u>1,344,706</u>	<u>(18,857)</u>	<u>1,317,541</u>	<u>(13,972)</u>
Nonoperating Revenues (Expenses)					
Sales and Use Taxes	1,863,138	-	-	1,863,138	-
Investment Income	142,927	35,712	6,927	185,566	8,298
Other Revenues	28,956	3,618	3,255	35,829	562
Amortization of Bond Premiums	69,258	35,614	-	104,872	-
Interest and Fiscal Charges	(545,015)	(361,035)	-	(906,050)	-
Total Nonoperating Revenues (Expenses)	<u>1,559,264</u>	<u>(286,091)</u>	<u>10,182</u>	<u>1,283,355</u>	<u>8,860</u>
Income (Loss) Before Capital Contributions & Transfers	<u>1,550,956</u>	<u>1,058,615</u>	<u>(8,675)</u>	<u>2,600,896</u>	<u>(5,112)</u>
Capital Contributions					
System Improvement Fees	104,422	112,561	-	216,983	-
Cash in lieu of Fees	18,054	-	-	18,054	-
Capital Grants	736,450	-	-	736,450	-
Total Capital Contributions	<u>858,926</u>	<u>112,561</u>	<u>-</u>	<u>971,487</u>	<u>-</u>
Transfers					
Transfers Out	-	-	(602,000)	(602,000)	-
Total Transfers	<u>-</u>	<u>-</u>	<u>(602,000)</u>	<u>(602,000)</u>	<u>-</u>
Change in Net Position	<u>2,409,882</u>	<u>1,171,176</u>	<u>(610,675)</u>	<u>2,970,383</u>	<u>(5,112)</u>
Net Position, Beginning of year	<u>41,869,859</u>	<u>18,632,326</u>	<u>788,987</u>	<u>61,291,172</u>	<u>1,206,475</u>
Net Position, End of year	<u>\$ 44,279,741</u>	<u>\$ 19,803,502</u>	<u>\$ 178,312</u>	<u>\$ 64,261,555</u>	<u>\$ 1,201,363</u>

See Notes to Financial Statements.

City of Rifle, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 3,741,945	\$ 3,536,099	\$ 607,168	\$ 7,885,212	\$ 1,157,321
Cash Payments to Vendors and Suppliers	(1,466,899)	(683,199)	(615,958)	(2,766,056)	(1,055,303)
Cash Payments to Employees	(694,758)	(437,634)	(10,052)	(1,142,444)	2,596
Net Cash Provided (Used) by Operating Activities	<u>1,580,288</u>	<u>2,415,266</u>	<u>(18,842)</u>	<u>3,976,712</u>	<u>104,614</u>
Cash Flows From Noncapital Financing Activities					
Other Revenues	28,956	3,618	3,255	35,829	562
Payments with Other Funds	-	-	(602,000)	(602,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>28,956</u>	<u>3,618</u>	<u>(598,745)</u>	<u>(566,171)</u>	<u>562</u>
Cash Flows From Capital and Related Financing Activities					
Purchases of Capital Assets	(1,967,813)	(190,077)	-	(2,157,890)	(40,708)
Proceeds From System Improvement Fees	104,422	112,561	-	216,983	-
Proceeds From Cash in Lieu of Fees	18,054	-	-	18,054	-
Proceeds From Sales and Use Taxes	1,863,138	-	-	1,863,138	-
Proceeds From Grants	736,450	-	-	736,450	-
Principal Payments on Debt	(1,710,141)	(880,320)	-	(2,590,461)	-
Interest Payments on Debt	(553,111)	(374,352)	-	(927,463)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,509,001)</u>	<u>(1,332,188)</u>	<u>-</u>	<u>(2,841,189)</u>	<u>(40,708)</u>
Cash Flows from Investing Activities					
Interest Received	142,927	35,712	6,927	185,566	8,298
Net Increase in Cash and Cash Equivalents	243,170	1,122,408	(610,660)	754,918	72,766
Cash and Cash Equivalents, Beginning of Year	<u>8,056,955</u>	<u>1,676,275</u>	<u>777,852</u>	<u>10,511,082</u>	<u>506,037</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,300,125</u>	<u>\$ 2,798,683</u>	<u>\$ 167,192</u>	<u>\$ 11,266,000</u>	<u>\$ 578,803</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ (8,308)	\$ 1,344,706	\$ (18,857)	\$ 1,317,541	\$ (13,972)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,657,834	1,072,068	-	2,729,902	188,736
Changes in Asset and Liabilities					
Accounts Receivable	(260,828)	9,103	(3,532)	(255,257)	-
Inventory	(13,391)	(1,228)	-	(14,619)	(23,246)
Accounts Payable	197,610	(8,330)	3,242	192,522	(49,500)
Accrued Liabilities	7,371	(1,053)	305	6,623	2,596
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,580,288</u>	<u>\$ 2,415,266</u>	<u>\$ (18,842)</u>	<u>\$ 3,976,712</u>	<u>\$ 104,614</u>

See Notes to Financial Statements.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Rifle (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The City of Rifle was incorporated in 1905 and became a Home Rule City in 1963. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, water, sewer, sanitation, health and social services, culture and recreation, education, public improvements, planning and zoning, and general administrative services. The City's basic financial statements include the accounts of all City operations.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City.

Based on the application of these criteria, the City includes the Downtown Development Agency (DDA) and the Urban Renewal Authority (URA) as blended component units. The DDA and URA were created as separate legal entities by an act of the state legislature and "activated" by action of the City Council to plan and develop the downtown and other blighted areas of the city and to attract new businesses and residents. The governing board of the DDA is appointed by the City Council for fixed terms. The DDA has the complete authority to hire management and all other employees. There is no significant continuing relationship between the City and the DDA for carrying out day-to-day functions. The governing board of the URA is the City Council.

The DDA is a separate taxing body and levies taxes against the property owners within the designated development district and may hold referendums of its constituents. The DDA's levy and the levy of the City are independent of each other and are related only by the fact they are levied against a common tax base within the DDA's geographic boundaries. Property taxes from the DDA's levy are its primary revenue source. The URA's primary source of revenue is increment tax receipts based on the increased assessed valuation of taxes in the Urban Renewal Authority boundaries.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Because the DDA's governing board is appointed by the City and the budget and any amendments thereto are approved by the City, the DDA is reported as if it were part of the primary government. Similarly, since the URA's governing board is the City Council and the budget and any amendments thereto are approved by the City Council, the URA is reported as if it were part of the primary government.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants 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*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary 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 a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the City reports the following major governmental funds:

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

The *Street Improvements Fund* receives sales, use, and street impact revenues restricted for public works street improvements.

The *Parks and Recreation Fund* accounts for the operations of the city's parks and recreation programs. It is partially funded through a 1% sales and use tax assessment.

The *Capital Improvement Program Fund* accounts for the operations of the City's Capital Improvement Projects.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Additionally, the City reports the following major proprietary funds:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Wastewater Fund* accounts for the financial activities associated with the provision of sewer services.

The *Sanitation Fund* accounts for the financial activities associated with the City's waste collection services.

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less. The City considers all pooled cash and investments to be cash equivalents.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables - During operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, equipment and all infrastructure owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	10 - 50 years
Infrastructure	7 - 75 years
Water, Sewer and Storm Drainage Plants and Systems	30 - 50 years
Machinery and Equipment	5 - 10 years

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time depending on length of employment. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time at their current rate of pay. Accumulated, unpaid vacation time is accrued when earned in the government-wide financial statements and the proprietary funds in the fund financial statements. A liability is recorded in the governmental fund financial statements only when payment is due.

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year. In addition, grants not available as current financial resources are reported as deferred inflows in the governmental fund financial statements.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Board of Trustees establishes a fund balance commitment through passage of an ordinance and is authorized to informally assign amounts to a specific purpose. The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted amounts first, followed by committed, assigned and unassigned amounts.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding fiscal year, receivables and corresponding deferred inflows of resources are reported at year end.

Subsequent Events

We have evaluated subsequent events through June 25, 2020, the date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2019, follows:

Petty Cash	\$ 4,043
Cash Deposits	6,671,763
Investments	<u>28,838,745</u>
Total	\$ <u>35,514,551</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2019, the City had bank deposits of \$6,675,483 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which the City may invest, which include the following. Custodial risk is not addressed by State statutes.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 2: Cash and Investments (Continued)

Investments (Continued)

- Obligations of the United States and certain U.S. 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
- Guaranteed investment contracts (GICs)

At December 31, 2019, the City had the following investments:

	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5 Years	Total
U.S. Treasury Securities	AAA	\$ -	\$ 899,578	\$ 899,578
U.S. Treasury Securities	AA+	694,965	8,923,687	9,618,652
Money Market Funds	n/a	54,427	-	54,427
Local Government Investment Pools	AAAm	18,266,088	-	18,266,088
Total		<u>\$ 19,015,480</u>	<u>\$ 9,823,265</u>	<u>\$ 28,838,745</u>

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2019, the City's investments in U.S. Treasury and Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities. At December 31, 2019, the City's investments in the Federal Home Loan Bank, and U.S. Treasury securities represented 33% and 3%, respectively, of the City's total investments.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pools - At December 31, 2019, the City had \$8,026,645 and \$10,239,443 and invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2019, is summarized below:

Governmental Activities	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Capital Assets, Not Being Depreciated:				
Land	\$ 3,979,905	\$ -	\$ -	\$ 3,979,905
Construction in Progress	336,816	-	(336,816)	-
Total Capital Assets, Not Being Depreciated	4,316,721	-	(336,816)	3,979,905
Capital Assets, Being Depreciated:				
Buildings	16,477,104	-	(91,015)	16,386,089
Improvements	73,306,678	1,727,944	(233,371)	74,801,251
Equipment	4,376,782	47,964	(52,272)	4,372,474
Internal Service - Equipment	2,450,555	40,708	-	2,491,263
Total Capital Assets, Being Depreciated	96,611,119	1,816,616	(376,658)	98,051,077
Less Accumulated Depreciation:				
Buildings	(6,695,626)	(490,108)	91,015	(7,094,719)
Improvements	(36,510,962)	(2,746,302)	165,394	(39,091,870)
Equipment	(3,209,574)	(195,553)	52,272	(3,352,855)
Internal Service - Equipment	(1,702,674)	(188,736)	-	(1,891,410)
Total Accumulated Depreciation	(48,118,836)	(3,620,699)	308,681	(51,430,854)
Total Capital Assets, Being Depreciated, net	48,492,283	(1,804,083)	(67,977)	46,620,223
Governmental Activities Capital Assets, net	\$ 52,809,004	\$ (1,804,083)	\$ (404,793)	\$ 50,600,128

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 3: Capital Assets (Continued)

Capital asset Business-Type activity for the year ended December 31, 2019, is summarized below:

Business-Type Activities	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
<i>Capital Assets, Not Being Depreciated:</i>				
Land and improvements	\$ 1,985,544	\$ -	\$ -	\$ 1,985,544
Water Rights	651,352	-	-	651,352
Total Capital Assets, Not Being Depreciated	2,636,896	-	-	2,636,896
<i>Capital Assets, Being Depreciated:</i>				
Buildings	73,822,846	-	-	73,822,846
Improvements	39,969,616	2,003,317	-	41,972,933
Equipment	2,218,714	154,573	(8,835)	2,364,452
Total Capital Assets, Being Depreciated	116,011,176	2,157,890	(8,835)	118,160,231
<i>Less Accumulated Depreciation:</i>				
Buildings	(19,005,750)	(1,890,797)	-	(20,896,547)
Improvements	(11,609,369)	(763,156)	-	(12,372,525)
Equipment	(1,816,226)	(75,949)	8,835	(1,883,340)
Total Accumulated Depreciation	(32,431,345)	(2,729,902)	8,835	(35,152,412)
Total Capital Assets, Being Depreciated	83,579,831	(572,012)	-	83,007,819
Business-Type Activities Capital Assets, net	\$ 86,216,727	\$ (572,012)	\$ -	\$ 85,644,715

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	
General Government	\$ 158,401
Public Safety	3,748
Public Works	2,525,482
Cemetery	2,455
Parks and Recreation	652,731
Economic Development	89,147
	<u>3,431,964</u>
Internal Service - Equipment	188,735
	<u>188,735</u>
Total	\$ 3,620,699

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2019:

	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Due Within One Year
Construction Loan	\$ 50,001	\$ 210,000	\$ -	\$ 260,001	\$ -
Compensated Absences	560,731	36,350	(88,541)	508,540	86,509
Total	\$ 610,732	\$ 246,350	\$ (88,541)	\$ 768,541	\$ 86,509

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

In December 2018, the City obtained a construction loan which allows the City to borrow up to \$5,800,000, towards the pool renovation. The City is allowed to draw upon the loan through December 2020, at which time the loan converts into a term loan. The loan is due on December 1, 2040, with a maximum bi-annual payment of \$198,268. Interest on the unpaid outstanding loan balance is at 3.3%. Once the construction is complete and the construction loan is fully drawn, a permanent debt repayment schedule will be determined.

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2019:

	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Due Within One Year
2003 CWRPDA Loan - Water	\$ 470,417	\$ -	\$ (470,417)	\$ -	\$ -
2007 CWRPDA Loan - Wastewater Premium	10,329,420	-	(880,320)	9,449,100	906,556
	341,298	-	(35,614)	305,684	35,614
2012 CWRPDA Loan - Water	17,503,722	-	(948,777)	16,554,945	967,023
2012 CWRPDA Loan - Water (Fed) Premium	1,453,776	-	(90,947)	1,362,829	92,777
	1,079,267	-	(69,258)	1,010,009	69,258
2015 Certificate of Participation - Water	4,415,000	-	(200,000)	4,215,000	205,000
Compensated Absences	90,584	-	(51,492)	39,092	1,954
Total	\$ 35,683,484	\$ -	\$ (2,746,825)	\$ 32,936,659	\$ 2,278,182

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 4: Long Term Debt (Continued)

Business-Type Activities (Continued)

In May 2007, the City entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$17,852,112. The proceeds were used to complete sewer improvements. The City has also recorded \$747,848 of premiums that are being amortized over the life of the loan, with the remaining unamortized portion included in the note payable balance in the financial statements. The loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2028. The loan bears interest at 3.5% per annum, not including administrative fees. Pursuant to the loan agreement, the City was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures, or \$481,117. The City has funded this reserve through the restriction of net position in the Wastewater Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 906,556	\$ 340,754	\$ 1,247,310
2021	938,204	309,917	1,248,121
2022	969,852	282,017	1,251,869
2023	996,088	248,257	1,244,345
2024	1,027,736	220,857	1,248,593
2025 - 2028	4,610,664	397,059	5,007,723
Total	<u>\$ 9,449,100</u>	<u>\$ 1,798,861</u>	<u>\$ 11,247,961</u>

In August 2012, the City entered into two loan agreements with the Colorado Water Resource and Power Development Authority in the amount of \$23,858,367. The loans are comprised of \$21,858,367 of regular CWRPDA financing and an additional \$2,000,000 direct loan. The proceeds are to be used to complete water system improvements.

The City has also received the benefit of \$1,523,671 of premiums related to the \$21,858,367 CWRPDA debt issuance that are being amortized over the life of the loan. The unamortized portions of the premiums are included in the note payable balance in the financial statements. Issuance costs of \$382,038 were expensed during 2012. The \$21,858,367 loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2034 commencing in August 2012. The loan bears interest at 1.6% per annum, not including administrative fees. Pursuant to the loan agreement, the city was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures or \$532,159. The City has funded this reserve through the restriction of its net position balance in the Water Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement. All debt payments related to this loan are made by the Water Fund.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The \$2,000,000 direct loan was previously a federally subsidized non-interest-bearing loan. However, in 2014, the project no longer qualifies as green and, therefore, the loan does not qualify for a 0% interest rate. The new rate of 2% interest began accruing on August 1, 2014 with the first payment, at the new interest rate, due on February 1, 2015. The loan requires semi-annual principal payments of \$50,000 on February 1 and August 1 of each year through 2032 commencing in February 2013. All debt payments related to this loan are made by the Water Fund.

The Non-Federally subsidized loan future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 967,023	\$ 360,004	\$ 1,327,027
2021	979,187	344,647	1,323,834
2022	1,009,596	314,319	1,323,915
2023	1,040,006	284,261	1,324,267
2024	1,052,170	270,711	1,322,881
2025 - 2029	5,443,305	1,173,473	6,616,778
2030 - 2034	6,063,658	562,435	6,626,093
Total	<u>\$ 16,554,945</u>	<u>\$ 3,309,850</u>	<u>\$ 19,864,795</u>

The Federally subsidized loan future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 92,777	\$ 26,795	\$ 119,572
2021	94,641	24,930	119,571
2022	96,544	23,027	119,571
2023	98,484	21,087	119,571
2024	100,464	19,108	119,572
2025 - 2029	522,922	74,936	597,858
2030 - 2033	356,997	12,228	369,225
Total	<u>\$ 1,362,829</u>	<u>\$ 202,111</u>	<u>\$ 1,564,940</u>

In 2015, the City issued \$5,085,000 in certificates of participation for a water tank construction project. Principal payments are due semi-annually on June 1 and December 1. Principal payments start at \$110,000 in 2015 and increase to \$335,000 by 2035, at an interest rate of 3.13%. Payments are made by the Water Fund.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 205,000	\$ 134,128	\$ 339,128
2021	210,000	127,256	337,256
2022	220,000	120,772	340,772
2023	225,000	113,610	338,610
2024	235,000	106,762	341,762
2025 - 2029	1,285,000	416,407	1,701,407
2030 - 2034	1,500,000	199,245	1,699,245
2035	335,000	24,311	359,311
Total	<u>\$ 4,215,000</u>	<u>\$ 1,242,491</u>	<u>\$ 5,457,491</u>

Note 5: Interfund Transactions

FootnotesThe City has recorded the following routine transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 625,000	\$ (5,000)
Parks and Recreation	1,588,000	-
Capital Improvements	-	(1,577,000)
Non-major Governmental Funds	18,600	(47,600)
Sanitation Fund	-	(602,000)
Total	<u>\$ 2,231,600</u>	<u>\$ (2,231,600)</u>

Note 6: Pension Plan

The City provides pension benefits for all its full-time police officers through a defined contribution plan. The police officers contribute 8% of their compensation to the plan, which the City matches with a 12.51% contribution. The City's contributions for each employee (and interest allocated thereon) vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. During the year ended December 31, 2019, the City contributed \$166,586 and the employees contributed \$106,132 to the plan.

All other full-time employees of the City are eligible to participate in a defined contribution pension plan established under the provisions of Section 401(a) of the Internal Revenue Code. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers all full-time employees upon initial employment and who have attained the age of twenty-one. The City contributes 5% of compensation to the plan on behalf of each qualified employee. Employees may not make contributions to this plan. Employers contributions vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. For the year ended December 31, 2019, the City contributed \$183,086 to the plan.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 6: Pension Plan (Continued)

The City offers a deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code. The plan permits employees to contribute a portion of their current salary, based upon limits prescribed in the Internal Revenue Code. The City contributes a match of up to 1% when an employee elects to participate in the plan.

Note 7: Risk-Related Activities

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For risks related to property and liability, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-20-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City carries commercial insurance for workers compensation claims.

Note 8: Commitments and Contingencies

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The City is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the City's electorate vote to retain the revenue. The TABOR Amendment is subject to many interpretations, but the City believes it is in substantial compliance with the Amendment.

Litigation

From time to time, the City is involved in various litigation. Management believes the outcome of any litigation will not have a significant impact on the City's financial position.

2020 Budget Designations

Through the adoption of the 2020 budget, the City has assigned a portion of the Fund Balance for subsequent year's expenditures, as reflected in the accompanying financial statements as assigned for subsequent year's expenditures. The assignment represents the amount for which 2020 budgeted expenditures exceed the 2020 budgeted revenues.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2019

Note 9: Rate Maintenance

The 2012 Colorado Water Resources and Power Development Authority (CWRPDA) water loan agreement, and the 2007 CWRPDA wastewater loan agreement required that Net Revenues shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loans and any parity debt coming due.

The computation of both the Water and Wastewater rate maintenance is as follows:

	Water Fund	Wastewater Fund
Revenues		
Operating Revenues	\$ 4,002,773	\$ 3,526,996
Sales & Use Taxes	1,863,138	-
System Improvement Fees	104,422	112,561
Investment Income	142,927	35,712
Cash in Lieu of Fees	18,054	-
Other Revenues	28,956	3,618
Total Revenues	6,160,270	3,678,887
Expenses		
Operating Expenses	4,011,081	2,182,290
Less Depreciation	(1,657,834)	(1,072,068)
Net Expenses	2,353,247	1,110,222
Net Revenues	\$ 3,807,023	\$ 2,568,665
Debt Service Requirements (Parity and Subordinate)		
2007 CWRPDA Note Payable	\$ -	\$ 1,247,310
2012 CWRPDA - Interest Bearing	1,327,027	-
2012 CWRPDA - Federal	119,572	-
2015 Certificates of Participation	339,128	-
Debt Service Required	1,785,727	1,247,310
Required Coverage		
(Water at 100%, without System Improvement Fees)	110%	110%
Debt Service Coverage at 110%	\$ 1,964,300	\$ 1,372,041
Net Revenue Excess	\$ 1,842,723	\$ 1,196,624

Note 10: Subsequent Event

Subsequent to year-end, the United States of America and the State of Colorado have declared an emergency associated with the Coronavirus pandemic. The City has been economically impacted by the event, however the full economic effect has yet to be determined.

Required Supplementary Information

City of Rifle, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 6,038,373	\$ 6,285,869	\$ 247,496
Licenses and Permits	263,000	437,020	174,020
Intergovernmental	1,717,913	1,654,168	(63,745)
Charges for Services	220,700	951,599	730,899
Interest Income	33,750	106,982	73,232
Miscellaneous	110,600	132,747	22,147
Total Revenue	8,384,336	9,568,385	1,184,049
Expenditures			
General Government	3,372,307	3,126,410	(245,897)
Public Safety	3,018,909	2,943,138	(75,771)
Public Works	1,726,009	1,593,021	(132,988)
Economic Development	336,955	338,768	1,813
Total Expenditures	8,454,180	8,001,337	(452,843)
Excess Revenues Over (Under) Expenditures	(69,844)	1,567,048	1,636,892
Other Financing Sources (Uses)			
Transfers In	-	25,000	25,000
Transfers Out	(5,000)	(5,000)	-
Total Other Financing Sources (Uses)	(5,000)	20,000	25,000
Change in Fund Balance	(74,844)	1,587,048	1,661,892
Fund Balance, Beginning of Year	5,440,997	6,413,983	972,986
Fund Balance, End of Year	\$ 5,366,153	\$ 8,001,031	\$ 2,634,878

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 1,144,156	\$ 1,242,092	\$ 97,936
Licenses and Permits	108,701	190,491	81,790
Charges for Services	-	54,892	54,892
Intergovernmental	417,400	80,900	(336,500)
Investment Income	52,000	157,131	105,131
Other	-	3,300	3,300
Total Revenues	<u>1,722,257</u>	<u>1,728,806</u>	<u>6,549</u>
Expenditures			
Public Works	<u>2,451,928</u>	<u>1,812,442</u>	<u>(639,486)</u>
Total Expenditures	<u>2,451,928</u>	<u>1,812,442</u>	<u>(639,486)</u>
Net Change in Fund Balance	(729,671)	(83,636)	646,035
Fund Balance, Beginning of year	<u>8,166,054</u>	<u>8,774,936</u>	<u>608,882</u>
Fund Balance, End of year	<u>\$ 7,436,383</u>	<u>\$ 8,691,300</u>	<u>\$ 1,254,917</u>

City of Rifle, Colorado
Budgetary Comparison Schedule
Parks and Recreation Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 2,505,713	\$ 2,484,185	\$ (21,528)
Intergovernmental	501,600	1,632	(499,968)
Charges for Services	242,391	205,965	(36,426)
Interest Income	7,000	30,761	23,761
Other	5,000	222,104	217,104
Bond/Loan Proceeds	5,000,000	-	(5,000,000)
Total Revenues	<u>8,261,704</u>	<u>2,944,647</u>	<u>(5,317,057)</u>
Expenditures			
Parks and Recreation	2,450,742	1,993,013	(457,729)
Capital Outlay	7,510,673	1,970,778	(5,539,895)
Debt Service - Principal	312,268	9,251	(303,017)
Debt Service - Interest	10,059	1,746	(8,313)
Total Expenditures	<u>10,283,742</u>	<u>3,974,788</u>	<u>(6,308,954)</u>
Excess Revenues Over (Under) Expenditures	(2,022,038)	(1,030,141)	991,897
Other Financing Sources (Uses)			
Transfers In	1,790,600	1,588,000	(202,600)
Total Other Financing Sources (Uses)	<u>1,790,600</u>	<u>1,588,000</u>	<u>(202,600)</u>
Net Change in Fund Balance	(231,438)	557,859	789,297
Fund Balance, Beginning of year	<u>1,320,695</u>	<u>1,637,016</u>	<u>316,321</u>
Fund Balance, End of year	<u>\$ 1,089,257</u>	<u>\$ 2,194,875</u>	<u>\$ 1,105,618</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 80,000	\$ 69,070	\$ (10,930)
Investment Income	40,000	80,354	40,354
	120,000	149,424	29,424
Expenditures			
Capital Outlay	1,600,000	62,657	(1,537,343)
	1,600,000	62,657	(1,537,343)
Excess Revenues Over (Under) Expenditures	(1,480,000)	86,767	1,566,767
Other Financing Sources (Uses)			
Transfers In	700,000	600,000	(100,000)
Transfers Out	-	(1,577,000)	(1,577,000)
Total Other Financing Sources (Uses)	700,000	(977,000)	(1,677,000)
Net Change in Fund Balance	(780,000)	(890,233)	1,566,767
Fund Balance, Beginning of year	4,486,333	4,444,613	(41,720)
Fund Balance, End of year	\$ 3,706,333	\$ 3,554,380	\$ (151,953)

City of Rifle, Colorado
Notes to Required Supplementary Information
December 31, 2019

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the City, which has no operations other than depreciation expense. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for certain interfund transactions that are reported as revenues and expenditures on the budgetary basis but not the GAAP basis of accounting. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures and depreciation and amortization are not budgeted.

The City adheres to the following procedures to establish the budgetary information reflected in the financial statements:

- By October 15, management submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the City Council to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at the end of each fiscal year.

Combining and Individual Fund Statements and Schedules

City of Rifle, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Assets							
Cash and Investments	\$ 242,096	\$ 221,213	\$ 83,414	\$ 796,093	\$ 131,996	\$ 253,538	\$ 1,728,350
Accounts Receivable	-	-	-	193	-	-	193
Taxes Receivable	-	7,337	41,090	21,553	-	-	69,980
Due from Other Governments	-	-	261	-	-	-	261
Total Assets	<u>\$ 242,096</u>	<u>\$ 228,550</u>	<u>\$ 124,765</u>	<u>\$ 817,839</u>	<u>\$ 131,996</u>	<u>\$ 253,538</u>	<u>\$ 1,798,784</u>
Liabilities							
Accounts Payable	\$ -	\$ 1,313	\$ 2,159	\$ 12,534	\$ -	\$ -	\$ 16,006
Accrued Liabilities	-	-	-	2,419	-	-	2,419
Deposit	-	-	-	10,240	-	-	10,240
Total Liabilities	<u>-</u>	<u>1,313</u>	<u>2,159</u>	<u>25,193</u>	<u>-</u>	<u>-</u>	<u>28,665</u>
Deferred Inflows of Resources							
Property Taxes	-	-	41,090	-	-	-	41,090
Fund Balances							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	253,538	253,538
Economic Development	-	227,237	81,516	792,646	131,996	-	1,233,395
Unrestricted, Unassigned	242,096	-	-	-	-	-	242,096
Total Fund Balances	<u>242,096</u>	<u>227,237</u>	<u>81,516</u>	<u>792,646</u>	<u>131,996</u>	<u>253,538</u>	<u>1,729,029</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 242,096</u>	<u>\$ 228,550</u>	<u>\$ 124,765</u>	<u>\$ 817,839</u>	<u>\$ 131,996</u>	<u>\$ 253,538</u>	<u>\$ 1,798,784</u>

City of Rifle, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Revenues							
Taxes	\$ -	\$ 153,449	\$ 42,588	\$ 205,194	\$ 80,017	\$ -	\$ 481,248
Intergovernmental	108,432	1,000	1,500	9,000	-	-	119,932
Charges for Services	-	-	-	82,828	-	6,615	89,443
Investment Income	3,190	3,233	1,473	14,756	4,615	4,333	31,600
Other	-	10,000	-	86,593	-	-	96,593
Total Revenues	111,622	167,682	45,561	398,371	84,632	10,948	818,816
Expenditures							
Current							
Economic Development	-	103,081	42,829	448,067	-	-	593,977
Capital Outlay	-	-	1,080	44,327	291,822	-	337,229
Total Expenditures	-	103,081	43,909	492,394	291,822	-	931,206
Excess of Revenues Over (Under) Expenditures	111,622	64,601	1,652	(94,023)	(207,190)	10,948	(112,390)
Other Financing Sources (Uses)							
Transfers In	-	-	7,000	11,600	-	-	18,600
Transfers Out	-	(47,600)	-	-	-	-	(47,600)
Total Other Financing Sources (Uses)	-	(47,600)	7,000	11,600	-	-	(29,000)
Net Change in Fund Balances	111,622	17,001	8,652	(82,423)	(207,190)	10,948	(141,390)
Fund Balances, Beginning of year	130,474	210,236	72,864	875,069	339,186	242,590	1,870,419
Fund Balances, End of year	\$ 242,096	\$ 227,237	\$ 81,516	\$ 792,646	\$ 131,996	\$ 253,538	\$ 1,729,029

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 90,000	\$ 108,432	\$ 18,432
Investment Income	500	3,190	2,690
Total Revenues	<u>90,500</u>	<u>111,622</u>	<u>21,122</u>
Other Financing Sources (Uses)			
Transfers Out	<u>(180,000)</u>	-	<u>180,000</u>
Total Other Financing Sources (Uses)	<u>(180,000)</u>	-	<u>180,000</u>
Net Change in Fund Balance	(89,500)	111,622	201,122
Fund Balance, Beginning of year	<u>31,067</u>	<u>130,474</u>	<u>99,407</u>
Fund Balance, End of year	<u>\$ (58,433)</u>	<u>\$ 242,096</u>	<u>\$ 300,529</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Visitor Improvement Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 148,000	\$ 153,449	\$ 5,449
Investment Income	1,200	3,233	2,033
Miscellaneous	17,000	11,000	(6,000)
	166,200	167,682	1,482
Expenditures			
Economic Development	161,056	103,081	(57,975)
Excess Revenues Over (Under) Expenditures	5,144	64,601	59,457
Other Financing Sources (Uses)			
Transfers Out	47,600	(47,600)	(95,200)
	47,600	(47,600)	(95,200)
Net Change in Fund Balance	52,744	17,001	(35,743)
Fund Balance, Beginning of year	237,567	210,236	(27,331)
Fund Balance, End of year	\$ 290,311	\$ 227,237	\$ (63,074)

City of Rifle, Colorado
Budgetary Comparison Schedule
Downtown Development Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 44,044	\$ 42,588	\$ (1,456)
Intergovernmental	1,500	1,500	-
Investment Income	500	1,473	973
	<u>46,044</u>	<u>45,561</u>	<u>(483)</u>
Total Revenues			
Expenditures			
Economic Development	55,670	42,829	12,841
Capital Outlay	-	1,080	(1,080)
	<u>55,670</u>	<u>43,909</u>	<u>11,761</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(9,626)	1,652	(12,244)
Other Financing Sources (Uses)			
Transfers In	5,000	7,000	2,000
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>7,000</u>	<u>2,000</u>
Net Change in Fund Balance	(4,626)	8,652	(10,244)
Fund Balance, Beginning of year	<u>60,290</u>	<u>72,864</u>	<u>12,574</u>
Fund Balance, End of year	<u>\$ 55,664</u>	<u>\$ 81,516</u>	<u>\$ 2,330</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Tourism and Industry Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 189,014	\$ 205,194	\$ 16,180
Charges for Services	188,845	82,828	(106,017)
Investment Income	3,500	14,756	11,256
Other	-	95,593	95,593
	381,359	398,371	17,012
Expenditures			
Current			
Economic Development	475,212	448,067	27,145
Capital Outlay	-	44,327	(44,327)
	475,212	492,394	(17,182)
Revenues Over (Under) Expenditures	(93,853)	(94,023)	(170)
Other Financing Sources			
Transfers In	12,000	11,600	(400)
Total Other Financing Sources	12,000	11,600	(400)
Net Change in Fund Balance	(81,853)	(82,423)	(570)
Fund Balance, Beginning of year	827,816	875,069	47,253
Fund Balance, End of year	\$ 745,963	\$ 792,646	\$ 46,683

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Urban Renewal Authority Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 81,000	\$ 80,017	\$ (983)
Investment Income	1,500	4,615	3,115
Total Revenues	<u>82,500</u>	<u>84,632</u>	<u>2,132</u>
Expenditures			
Current			
Economic Development	25,000	-	25,000
Capital Outlay	<u>280,000</u>	<u>291,822</u>	<u>(11,822)</u>
Total Expenditures	<u>305,000</u>	<u>291,822</u>	<u>13,178</u>
Net Change in Fund Balance	(222,500)	(207,190)	(11,046)
Fund Balance, Beginning of year	<u>261,870</u>	<u>339,186</u>	<u>77,316</u>
Fund Balance, End of year	<u>\$ 39,370</u>	<u>\$ 131,996</u>	<u>\$ 66,270</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Perpetual Care Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ -	\$ 6,615	\$ 6,615
Investment Income	<u>1,500</u>	<u>4,333</u>	<u>2,833</u>
Total Revenues	1,500	10,948	9,448
Fund Balance, Beginning of year	<u>232,879</u>	<u>242,590</u>	<u>9,711</u>
Fund Balance, End of year	<u>\$ 234,379</u>	<u>\$ 253,538</u>	<u>\$ 19,159</u>

City of Rifle, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 3,932,181	\$ 3,483,171	\$ (449,010)
Sales and Use Taxes	1,716,233	1,863,138	146,905
Intergovernmental	163,052	2,266	(160,786)
Water Tank Surcharge	449,086	389,979	(59,107)
State Grants	75,000	736,450	661,450
Investment Income	40,000	142,927	102,927
Cash in Lieu of Fees	2,000	18,054	16,054
Sale of Meters	5,000	26,197	21,197
Other	1,636,509	234,538	(1,401,971)
Total Revenues	8,019,061	6,896,720	(1,122,341)
Expenditures			
Personal Services	817,457	702,129	115,328
Supplies	126,200	72,282	53,918
Purchased Services	984,357	780,462	203,895
Other Expenses	6,250	11,410	(5,160)
Management Fees	140,944	148,361	(7,417)
Fleet Maintenance	31,327	31,376	(49)
Information Technology Maintenance	72,100	72,100	-
Capital Outlays	2,200,000	2,502,940	(302,940)
Interest Expense	565,504	545,015	20,489
Debt Principal Payments	1,330,668	1,510,141	(179,473)
Total Expenditures	6,274,807	6,376,216	(101,409)
Revenues Over (Under) Expenditures	1,744,254	520,504	(1,020,932)
Change in Net Position - Budgetary Basis	\$ 1,744,254	520,504	\$ (1,020,932)
Adjustments to GAAP Basis			
Capital Outlay		1,967,813	
Amortization of Bond Premiums		69,258	
Debt Principal Payments		1,510,141	
Depreciation		(1,657,834)	
Change in Net Position		2,409,882	
Fund Balance, Beginning of year		41,869,859	
Fund Balance, End of year		\$ 44,279,741	

City of Rifle, Colorado
Budgetary Comparison Schedule
Wastewater Fund
For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 3,438,242	\$ 3,639,457	\$ 201,215
Investment Income	6,000	35,712	29,712
Other	35,614	3,718	(31,896)
Total Revenues	3,479,856	3,678,887	199,031
Expenditures			
Personal Services	646,217	436,581	209,636
Supplies	36,500	69,249	(32,749)
Purchased Services	1,031,697	397,543	634,154
Management Fees	131,158	131,158	-
Fleet Maintenance	34,547	34,583	(36)
Information Technology Maintenance	37,100	37,100	-
Interest Expense	367,102	361,035	6,067
Other Expense	-	4,008	(4,008)
Debt Principal Payments	887,570	880,320	7,250
Total Expenditures	3,171,891	2,351,577	820,314
Revenues Over (Under) Expenditures	307,965	1,327,310	(621,283)
Change in Net Position - Budgetary Basis	\$ 307,965	1,327,310	\$ (621,283)
Adjustments to GAAP Basis			
Capital Outlay			
Amortization of Bond Premiums		35,614	
Debt Principal Payments		880,320	
Depreciation		(1,072,068)	
Change in Net Position		1,171,176	
Fund Balance, Beginning of year		18,632,326	
Fund Balance, End of year		\$ 19,803,502	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Sanitation Fund
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 599,999	\$ 610,700	\$ 10,701
Investment Income	3,000	6,927	3,927
Other	550	3,255	2,705
Total Revenues	603,549	620,882	17,333
Expenditures			
Personal Services	15,137	13,885	1,252
Purchased Services	608,300	592,861	15,439
Management Fees	21,800	21,800	-
Information Technology Maintenance	1,050	1,050	-
Other Expenses	-	(39)	-
Total Expenditures	646,287	629,557	16,691
Revenues Over (Under) Expenditures	(42,738)	(8,675)	642
Transfers			
Transfers Out	(702,000)	(602,000)	(100,000)
Change in Net Position - Budgetary Basis	\$ (744,738)	(610,675)	\$ (99,358)
Change in Net Position		(610,675)	
Fund Balance, <i>Beginning of year</i>		788,987	
Fund Balance, <i>End of year</i>		\$ 178,312	

State Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT	City or County: CITY OF RIFLE
	YEAR ENDING : December 2019

This Information From The Records Of: City of Rifle	Prepared By: Michelle Duran, finance Director Phone: 970.665.6449
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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 purpose				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources		A. Local highway disbursements	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,774,710
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,222,243
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	28,138
2. General fund appropriations	0	b. Snow and ice removal	92,541
3. Other local imposts (from page 2)	1,799,300	c. Other	144,000
4. Miscellaneous local receipts (from page 2)	265,337	d. Total (a. through c.)	264,679
5. Transfers from toll facilities	0	4. General administration & miscellaneous	212,053
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,095,524
a. Bonds - Original Issues	0	6. Total (1 through 5)	4,569,210
b. Bonds - Refunding Issues	0	B. Debt service on local obligations	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	2,064,637	b. Redemption	0
B. Private Contribution	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	413,251	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	2,477,888	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highway	0
		D. Payments to toll facilities:	0
		E. Total disbursements (A.6 + B.3 + C + D)	4,569,210

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	4,069,479	2,477,888	4,569,210	1,978,157	-

Notes and Comments

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy) December 2019

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	157,131
b. Other local imposts:		b. Traffic Fines & Penalties	104,906
1. Sales Taxes	1,242,092	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	190,491	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	366,717	g. Other Misc. Receipts	3,300
6. Total (1. through 5.)	1,799,300	h. Other- Garfield FMLD Grants	0
c. Total (a. + b.)	1,799,300	i. Total (a. through h.)	265,337
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Governmen		D. Receipts from Federal Governmen	
1. Highway-user taxes	372,030	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	41,222	d. Federal Transit Admin	0
d. DOLA Grants	0	e. U.S. Corps of Engineers	0
e.	0	f. Other Federal	0
f. Cdot	0	g. Total (a. through g.)	0
g. Total (a. through f.)	41,222	3. Total (1. + 2.g)	
4. Total (1. + 2. + 3.f)	413,251		(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		81,776	81,776
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		1,530,276	1,530,276
(4). System Enhancement & Operation		162,658	162,658
(5). Total Construction (1) + (2) + (3) + (4)	0	1,692,935	1,692,935
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,774,710	1,774,710
			(Carry forward to page 1)

Notes and Comments