

**City of Rifle, Colorado**  
**Financial Statements**  
with Independent Auditors' Report  
**December 31, 2020**



# City of Rifle, Colorado

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December 31, 2020

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**HINKLE &  
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Strategic PC  
Business Advisors

## Independent Auditors' Report

City Council  
City of Rifle  
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, 2020, 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, 2020, 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*

Greenwood Village, Colorado  
May 28, 2021



**City of Rifle, Colorado**  
Management's Discussion and Analysis  
December 31, 2020

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, 2020.

**Financial Highlights**

- The assets of the City of Rifle exceeded its liabilities at the close of 2020 by \$144,161,811 (net position). Of this amount, \$103,549,024 is net investment in capital assets, \$1,955,032 is restricted, and \$38,657,755 is unrestricted and may be used to meet the government's ongoing obligations.
- Total net position, city-wide, increased by \$5,296,546 or 4%.
- General fund unassigned fund balance at December 31, 2020 is \$5,998,155 64% of 2020 total general fund expenditures.
- The business-type activities net position increased \$4,459,718 to \$68,721,273 during the year. The Water Fund increased \$3,274,807; Sewer Fund increased \$1,201,926; and the Sanitation Fund decreased \$17,015.

**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. 12, 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, 2020

**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, Capital 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, and Urban Renewal Authority.

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.

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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 12-28 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 46-48.

### **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 2020 by \$144,161,811.

The largest portion of the City's net position (72%) 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, 2020**

**Net Position**

The following table shows the City's net position for 2020 as compared to 2019.

**STATEMENT OF NET POSITION**  
**December 31, 2020 and 2019**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 26,182,478	\$ 26,086,043	\$ 16,584,141	\$ 12,411,129	\$ 42,766,619	\$ 38,497,172
Capital assets (net)	55,031,778	50,600,128	83,338,992	85,644,714	138,370,769	136,244,842
<b>Total assets</b>	<u>81,214,256</u>	<u>76,686,171</u>	<u>99,923,133</u>	<u>98,055,843</u>	<u>181,137,388</u>	<u>174,742,014</u>
Other liabilities	610,060	734,472	468,652	789,687	1,078,712	1,524,159
Long-term liabilities	4,486,706	682,032	30,663,311	32,934,706	35,150,017	33,616,738
<b>Total liabilities</b>	<u>5,096,766</u>	<u>1,416,504</u>	<u>31,131,963</u>	<u>33,724,393</u>	<u>36,228,729</u>	<u>35,140,897</u>
Deferred Inflows:						
Unavailable Revenue - Property Taxes	676,952	665,954	69,897	69,897	746,849	735,851
<b>Net position:</b>						
Invested in capital assets net of related debt	50,831,374	49,831,587	52,717,650	52,747,148	103,549,024	102,578,735
Nonspendable						
Cemetery Perpetual Care	262,571	253,538	-	-	262,571	253,538
Restricted For:						
for Emergencies	449,590	408,286	144,639	158,418	594,229	566,704
for Parks and Recreation	158,501	158,501	-	-	158,501	158,501
for Debt Service and O&M Reserves	180,698	-	1,021,604	1,156,509	1,202,302	1,156,509
Assigned for:						
for Channel 10	26,374	24,954	-	-	26,374	24,954
for Senior Center Meals and Capital	99,621	106,196	-	-	99,621	106,196
for Police Expenditures	2,472	2,472	-	-	2,472	2,472
Unrestricted	23,429,337	23,818,179	14,837,380	10,199,480	38,266,717	34,017,659
<b>Total Net Position</b>	<u>\$ 75,440,538</u>	<u>\$ 74,603,713</u>	<u>\$ 68,721,273</u>	<u>\$ 64,261,555</u>	<u>\$ 144,161,811</u>	<u>\$ 138,865,268</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 (26.6%) 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, 2020, restricted net position in the governmental activities included the following: Cemetery Perpetual Care (\$262,571), Debt Service (180,698), Channel 10 (\$26,374), TABOR Emergencies (\$449,590), Senior Center Meals and Capital (\$99,621), 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 (\$1,021,604), and TABOR Emergencies (\$144,639). The remaining balance of net position (unrestricted net position) totals \$38,266,717. 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, 2020**

**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.

	<b>SUMMARY OF CHANGES IN NET POSITION</b>					
	<b>For Years Ended December 31, 2020 and 2019</b>					
	<b>Governmental</b>		<b>Business Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 1,671,043	\$ 2,041,676	\$ 8,506,273	\$ 8,138,203	\$ 10,177,316	\$ 10,179,879
Operating grants and contributions	2,014,960	\$ 1,635,253	25,000	2,266	2,039,960	1,637,519
Capital grants and contributions	266,276	\$ 272,276	725,089	971,487	991,365	1,243,763
General Revenues:						
Property taxes	755,341	736,058	-	-	755,341	736,058
Sales and use taxes	9,700,420	9,220,125	1,938,371	1,863,138	11,638,791	11,083,263
Other taxes	469,461	537,211	-	-	469,461	537,211
Investment earnings	207,248	406,828	109,199	185,566	316,447	592,394
Other revenues	216,650	82,676	509,076	35,829	725,726	118,505
<b>Total revenues</b>	<u>15,301,399</u>	<u>14,932,103</u>	<u>11,813,008</u>	<u>11,196,489</u>	<u>27,114,407</u>	<u>26,128,592</u>
<b>EXPENSES</b>						
General government	5,191,192	3,343,142	-	-	5,191,192	3,343,142
Public Safety	2,743,217	2,946,886	-	-	2,743,217	2,946,886
Public Works	4,221,039	4,453,472	-	-	4,221,039	4,453,472
Cemetery	3,181	2,455	-	-	3,181	2,455
Parks and recreation	1,710,878	4,625,773	-	-	1,710,878	4,625,773
Economic development and assistance	500,871	1,358,041	-	-	500,871	1,358,041
Interest Expense	96,196	1,746	-	-	96,196	1,746
Water operations	-	-	3,935,675	4,486,838	3,935,675	4,486,838
Sewer operations	-	-	2,724,710	2,507,711	2,724,710	2,507,711
Sanitation operations	-	-	690,905	629,557	690,905	629,557
<b>Total expenses</b>	<u>14,466,574</u>	<u>16,731,515</u>	<u>7,351,290</u>	<u>7,624,106</u>	<u>21,817,864</u>	<u>24,355,621</u>
Increase in net assets before transfers	834,825	(1,799,412)	4,461,718	3,572,383	5,296,543	1,772,971
Transfers	2,000	602,000	(2,000)	(602,000)	-	-
Increase in net assets	836,825	(1,197,412)	4,459,718	2,970,383	5,296,543	1,772,971
Net Position, Beginning 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>
<b>Net Position, end of year</b>	<u>\$ 75,440,538</u>	<u>\$ 74,603,713</u>	<u>\$ 68,721,273</u>	<u>\$ 64,261,555</u>	<u>\$ 144,161,811</u>	<u>\$ 138,865,268</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.

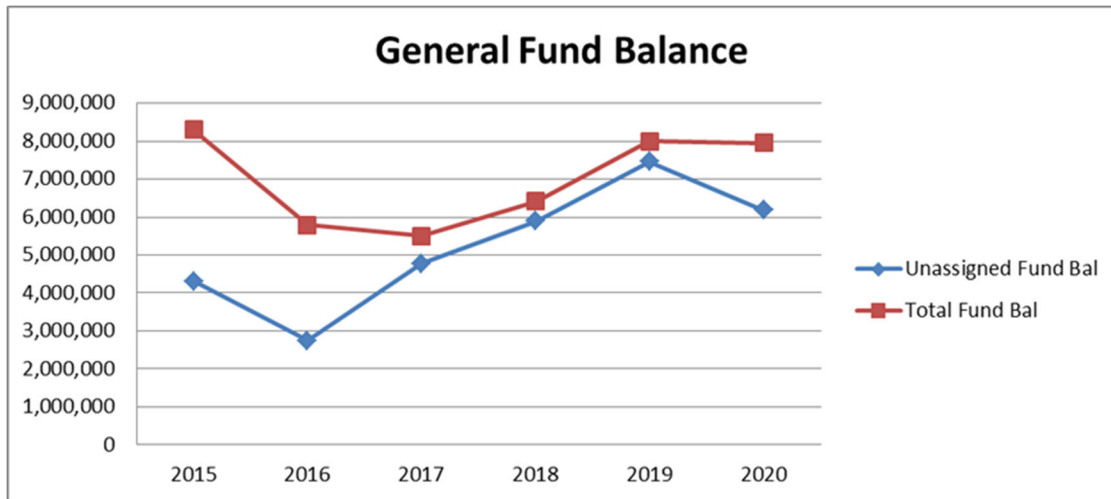
One of the differences between the governmental activities as reported in the government-wide *Statement of Activities* and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new assets are capitalized 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*

**City of Rifle, Colorado**  
**Management's Discussion and Analysis**  
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*in Fund Balance.* Therefore, governmental fund capital outlay expenditures of \$7,728,315 acquired in 2020 (page 8) are not reflected in the *Statement of Activities*.

At year-end 2020, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 5) reported a combined fund balance of \$24,829,232, an increase of \$658,617 from the prior year. The General Fund balance decreased \$51,023 or .07%. The Street Improvement Fund balance decreased \$7,388 or .08% The Parks and Recreation Fund balance decreased \$396,567 or 18%.

The General Fund unassigned fund balance at December 31, 2020 was \$5,998,155, or 64% of 2020 annual expenditures. Unassigned fund balance decreased \$1,302,467 with expenditures exceeding revenues by \$81,773. 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 \$4,459,718 to \$68,721,273. Investment in capital assets, net of related debt represents 77% of total net position.

**ENTERPRISE FUND NET POSITION**  
**December 31, 2020 and 2019**

	Water		Wastewater		Sanitation		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Investment in capital assets net of related debt	\$ 35,904,638	\$ 35,844,150	\$ 16,813,012	\$ 16,902,998	\$ -	\$ -	\$ 52,717,650	52,747,148
Restricted:								
For Emergencies	144,639	158,418			-	-	144,639	158,418
For Subsequent Year's Expenditures	-	-			22,601	-	22,601	-
For Operations and Maintenance Reserve	584,543	594,782	437,061	561,727	-	-	1,021,604	1,156,509
Unrestricted	10,920,728	7,682,391	3,755,355	2,338,777	138,696	178,312	14,814,779	10,199,480
<b>Total net position</b>	<b>\$ 47,554,548</b>	<b>\$ 44,279,741</b>	<b>\$ 21,005,428</b>	<b>\$ 19,803,502</b>	<b>\$ 161,297</b>	<b>\$ 178,312</b>	<b>\$ 68,721,273</b>	<b>\$ 64,261,555</b>

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In the Wastewater Fund, a new treatment plant was completed in 2009. The plant was funded via Colorado Water Resources and Power Development Authority loan. 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 loan. 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. The Sewer Fund has continued to increase user fees annually to meet increasing costs of operation and to replace decaying infrastructure, which includes collection and distribution lines. In 2019, only the Sewer Fund increased rates, by 10%, and in 2020 by 5%. These annual increases are in accordance with Rifle Municipal Code.

In 2020, the Water fund increased Net Position by \$3,274,807. Wastewater increased by \$1,201,926. The Sanitation fund incurred a net decrease of \$17,015.

Total unrestricted net position increased \$4,615,299 during 2020. The Water Fund's unrestricted net position increased by \$3,238,337; Wastewater Fund increased \$1,416,578; and the Sanitation Fund decreased \$39,616.

**General Fund Budgetary Highlights**

The General Fund reflects decrease in revenues of \$295,550 or 3% from 2019 and was under budget by \$442,668 and 4.5%. Expenditures increased \$1,353,271 from 2019 or 17% and were under budget by \$712,961, or 7%. Management and City Council continue to budget conservatively to ensure the City has the flexibility to address community needs.

**Capital Asset and Debt Administration**

Capital assets – At the end of 2020, the City had \$138,370,768 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 increased by a net 1.6%.

<b>CAPITAL ASSETS AT YEAR-END</b>						
(Net of Depreciation)						
As of December 31, 2020 and 2019						
	Governmental Activities		Business Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land & Rights	\$ 3,979,905	\$ 3,979,905	\$ 2,636,896	\$ 2,636,895	\$ 6,616,800	\$ 6,616,800
Construction in Process	18,584	-	-	-	18,584	-
Buildings	8,823,664	9,230,020	51,105,729	52,926,300	59,929,392	62,156,320
Improvements	40,518,367	35,748,102	29,117,590	29,600,408	69,635,958	65,348,510
Equipment	964,840	1,042,248	478,777	481,110	1,443,617	1,523,358
Int Svc Equipment & Vehicles	726,418	599,853	-	-	726,417	599,853
<b>Total</b>	<b>\$55,031,778</b>	<b>\$ 50,600,128</b>	<b>\$ 83,338,992</b>	<b>\$ 85,644,714</b>	<b>\$ 138,370,768</b>	<b>\$ 136,244,842</b>

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**Debt administration** – At the end of 2020, the City of Rifle had a balance of \$34,816,342 outstanding in revenue bonds; revenue notes payable, notes payable and capital leases, including \$4,195,000 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.

<b>OUTSTANDING DEBT</b>						
<b>Years Ended December 31, 2020 and 2019</b>						
	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue bonds and notes payable	\$ -	\$ -	\$ 30,621,342	\$ 32,897,568	\$ 30,621,342	\$ 32,897,568
Construction Loan	4,195,001	260,001	-	-	4,195,001	260,001
<b>Total</b>	<u>\$ 4,195,001</u>	<u>\$ 260,001</u>	<u>\$ 30,621,342</u>	<u>\$ 32,897,568</u>	<u>\$ 34,816,343</u>	<u>\$ 33,157,569</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.

**Economic Factors and the 2020 Budget**

2020 saw an increase of 5.2% 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. In 2020 the municipal pool was completely reconstructed, and plans were begun for several large street projects to begin in 2021. 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. The City of Rifle was less negatively impacted than many others, and is fortunate that our revenues declined only slightly, and only a small percentage of reserves were required to continue normal operations. Like other governments, the City of Rifle injected large sums of funding to support, stimulate and negate the directed closure of businesses. The local economy has made a significant start to return to pre-pandemic levels of economic activity. The year 2021 continues to show slight growth in the local economy. Unemployment and underemployment continue to be challenges, as does affordable housing for the area. There has been an increase in housing starts in late 2020 and early 2021, a trend which we expect to see continue in the near future.

**City of Rifle, Colorado**  
Management's Discussion and Analysis  
December 31, 2020

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. In addition, the City of Rifle expects the American Rescue Plan funding will also provide a small boost to the local economy, depending on the City's determination of the best use of those funds. 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, 2020

	Governmental Activities	Business-Type Activities	Totals
<b>Assets</b>			
Cash and Investments	\$ 23,898,121	\$ 15,421,997	\$ 39,320,118
Accounts Receivable	456,536	733,502	1,190,038
Property Taxes Receivable	676,952	-	676,952
Taxes Receivable	1,079,876	201,295	1,281,171
Due from Other Governments	251	-	251
Investment Income Receivable	13,823	-	13,823
Inventory	56,919	225,851	282,770
Prepaid Expenses	-	1,496	1,496
Capital Assets, <i>Not Being Depreciated</i>	3,998,489	2,636,896	6,635,385
Capital Assets, <i>Net of Accumulated Depreciation</i>	51,033,289	80,702,096	131,735,385
	<u>81,214,256</u>	<u>99,923,133</u>	<u>181,137,389</u>
Total Assets			
<b>Liabilities</b>			
Accounts Payable	263,318	103,508	366,826
Accrued Salaries	12,282	61,771	74,053
Accrued Interest Payable	-	293,373	293,373
Deposits	78,568	10,000	88,568
Retainage Payable	5,403	-	5,403
Noncurrent Liabilities			
Due Within One Year	250,489	2,329,001	2,579,490
Due in More Than One Year	4,486,706	28,334,310	32,821,016
	<u>5,096,766</u>	<u>31,131,963</u>	<u>36,228,729</u>
Total Liabilities			
<b>Deferred Inflows of Resources</b>			
Property Taxes	676,952	-	676,952
Deferred Tap Fees	-	69,897	69,897
	<u>676,952</u>	<u>69,897</u>	<u>746,849</u>
Total Deferred Inflows of Resources			
<b>Net Position</b>			
Net Investment in Capital Assets	50,831,374	52,717,650	103,549,024
Restricted For:			
Emergencies	449,590	144,639	594,229
Debt Service	180,698	-	180,698
Parks and Recreation	158,501	-	158,501
Operations and Maintenance Reserve	-	1,021,604	1,021,604
Unrestricted	23,820,375	14,837,380	38,657,755
	<u>75,440,538</u>	<u>68,721,273</u>	<u>144,161,811</u>
Total Net Position			

See Notes to Financial Statements.

**City of Rifle, Colorado**  
**Statement of Activities**  
For the Year Ended December 31, 2020

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
<b>Primary Government</b>							
<i>Governmental Activities</i>							
General Government	\$ 5,191,192	\$ 1,292,390	\$ 698,519	\$ 241,276	\$ (2,959,007)	\$ -	\$ (2,959,007)
Public Safety	2,743,217	14,323	65,305	-	(2,663,589)	-	(2,663,589)
Public Works	4,221,039	-	338,787	-	(3,882,252)	-	(3,882,252)
Cemetery	3,181	27,085	-	-	23,904	-	23,904
Parks and Recreation	1,710,878	232,413	821,302	25,000	(632,163)	-	(632,163)
Economic Development	500,871	104,832	91,047	-	(304,992)	-	(304,992)
Interest on Long-Term Debt	96,196	-	-	-	(96,196)	-	(96,196)
Total Government Activities	<u>14,466,574</u>	<u>1,671,043</u>	<u>2,014,960</u>	<u>266,276</u>	<u>(10,514,295)</u>	<u>-</u>	<u>(10,514,295)</u>
<i>Business-Type Activities</i>							
Water Utility	3,935,675	3,958,517	-	725,089	-	772,931	772,931
Wastewater Utility	2,724,710	3,873,252	25,000	-	-	1,148,542	1,148,542
Sanitation Operations	690,905	674,504	-	-	-	(16,401)	(16,401)
Total Business-Type Activities	<u>7,351,290</u>	<u>8,506,273</u>	<u>25,000</u>	<u>725,089</u>	<u>-</u>	<u>1,905,072</u>	<u>1,905,072</u>
Total Primary Government	<u>\$ 21,817,864</u>	<u>\$ 10,177,316</u>	<u>\$ 2,039,960</u>	<u>\$ 991,365</u>	<u>(10,514,295)</u>	<u>1,905,072</u>	<u>(8,609,223)</u>
<b>General Revenues</b>							
Property Taxes					710,910	-	710,910
Specific Ownership Taxes					44,431	-	44,431
Sales and Use Taxes					9,700,420	1,938,371	11,638,791
Franchise Taxes					351,928	-	351,928
Other Taxes					117,533	-	117,533
Grants and Contributions not Restricted to Specific Programs					38,170	-	38,170
Investment Income					207,248	109,199	316,447
Gain (Loss) on Disposal of Capital Assets					(2,251)	-	(2,251)
Other					180,731	509,076	689,807
Transfers					2,000	(2,000)	-
Total General Revenues					<u>11,351,120</u>	<u>2,554,646</u>	<u>13,905,766</u>
<b>Change in Net Position</b>							
					836,825	4,459,718	5,296,543
Net Position, Beginning of year					<u>74,603,713</u>	<u>64,261,555</u>	<u>138,865,268</u>
Net Position, End of year					<u>\$ 75,440,538</u>	<u>\$ 68,721,273</u>	<u>\$ 144,161,811</u>

**City of Rifle, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
<b>Assets</b>						
Cash and Investments	\$ 7,209,772	\$ 8,583,794	\$ 1,308,002	\$ 4,567,752	\$ 1,810,679	\$ 23,479,999
Accounts Receivable	213,187	8,406	233,612	-	1,331	456,536
Taxes Receivable	647,942	134,197	268,393	-	29,344	1,079,876
Property Taxes Receivable	633,151	-	-	-	43,801	676,952
Interest Receivable	13,823	-	-	-	-	13,823
Due from Other Governments	-	-	-	-	251	251
<b>Total Assets</b>	<b><u>8,717,875</u></b>	<b><u>8,726,397</u></b>	<b><u>1,810,007</u></b>	<b><u>4,567,752</u></b>	<b><u>1,885,406</u></b>	<b><u>25,707,437</u></b>
<b>Liabilities</b>						
Accounts Payable	63,938	42,485	5,946	-	4,913	117,282
Retainage Payable	-	-	5,403	-	-	5,403
Deposits	70,778	-	350	-	7,440	78,568
<b>Total Liabilities</b>	<b><u>134,716</u></b>	<b><u>42,485</u></b>	<b><u>11,699</u></b>	<b><u>-</u></b>	<b><u>12,353</u></b>	<b><u>201,253</u></b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	633,151	-	-	-	43,801	676,952
<b>Fund Balances</b>						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	262,571	262,571
Restricted For:						
Emergencies	449,590	-	-	-	-	449,590
Debt Service	180,698	-	-	-	-	180,698
Parks and Recreation	158,501	-	-	-	-	158,501
Assigned For:						
Channel 10	26,374	-	-	-	-	26,374
Senior Center Capital and Meals	99,621	-	-	-	-	99,621
Police Expenditures	2,472	-	-	-	-	2,472
Subsequent Year Expenditures	1,034,597	2,635,394	305,723	289,000	291,674	4,556,388
Economic Development	-	-	-	-	932,336	932,336
Street Improvement	-	6,048,518	-	-	-	6,048,518
Parks and Recreation	-	-	1,492,585	-	-	1,492,585
Capital Improvements	-	-	-	4,278,752	-	4,278,752
Unrestricted, Unassigned	5,998,155	-	-	-	342,671	6,340,826
<b>Total Fund Balances</b>	<b><u>7,950,008</u></b>	<b><u>8,683,912</u></b>	<b><u>1,798,308</u></b>	<b><u>4,567,752</u></b>	<b><u>1,829,252</u></b>	<b><u>24,829,232</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 8,717,875</u></b>	<b><u>\$ 8,726,397</u></b>	<b><u>\$ 1,810,007</u></b>	<b><u>\$ 4,567,752</u></b>	<b><u>\$ 1,885,406</u></b>	<b><u>\$ 25,707,437</u></b>

**City of Rifle, Colorado**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 December 31, 2020

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

Total Fund Balances of Governmental Funds	\$ 24,829,232
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	54,305,360
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	(4,195,001)
Accrued Compensated Absences	(542,194)
Internal Service Funds are blended into Governmental Activities	1,043,141
Total Net Position of Governmental Activities	\$ 75,440,538

**City of Rifle, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
<b>Revenues</b>						
Taxes	\$ 6,622,076	\$ 1,292,247	\$ 2,584,495	\$ -	\$ 426,404	\$ 10,925,222
Licenses and Permits	212,280	100,772	-	-	-	313,052
Intergovernmental	1,390,903	-	735,444	-	189,155	2,315,502
Charges for Services	834,006	-	232,323	-	111,642	1,177,971
Investment Income	63,062	76,888	16,064	31,956	14,963	202,933
Other	150,508	29,548	565	-	-	180,621
<b>Total Revenues</b>	<b>9,272,835</b>	<b>1,499,455</b>	<b>3,568,891</b>	<b>31,956</b>	<b>742,164</b>	<b>15,115,301</b>
<b>Expenditures</b>						
Current						
General Government	3,965,174	-	-	-	-	3,965,174
Public Safety	3,072,632	-	-	-	-	3,072,632
Public Works	1,701,731	98,153	-	-	-	1,799,884
Parks and Recreation	345,042	-	2,128,666	-	-	2,473,708
Economic Development	-	-	-	-	448,756	448,756
Capital Outlay	270,029	1,408,690	4,674,546	18,584	154,985	6,526,834
Debt Service						
Principal	-	-	11,250	-	-	11,250
Interest and Fiscal Charges	-	-	96,196	-	-	96,196
<b>Total Expenditures</b>	<b>9,354,608</b>	<b>1,506,843</b>	<b>6,910,658</b>	<b>18,584</b>	<b>603,741</b>	<b>18,394,434</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(81,773)</b>	<b>(7,388)</b>	<b>(3,341,767)</b>	<b>13,372</b>	<b>138,423</b>	<b>(3,279,133)</b>
<b>Other Financing Sources (Uses)</b>						
Disposal of capital assets	750	-	-	-	-	750
Debt proceeds	-	-	3,935,000	-	-	3,935,000
Transfers In	35,000	-	10,600	1,000,000	17,400	1,063,000
Transfers Out	(5,000)	-	(1,000,400)	-	(55,600)	(1,061,000)
<b>Total Other Financing Sources (Uses)</b>	<b>30,750</b>	<b>-</b>	<b>2,945,200</b>	<b>1,000,000</b>	<b>(38,200)</b>	<b>3,937,750</b>
<b>Net Change in Fund Balances</b>	<b>(51,023)</b>	<b>(7,388)</b>	<b>(396,567)</b>	<b>1,013,372</b>	<b>100,223</b>	<b>658,617</b>
<b>Fund Balances, Beginning of year</b>	<b>8,001,031</b>	<b>8,691,300</b>	<b>2,194,875</b>	<b>3,554,380</b>	<b>1,729,029</b>	<b>24,170,615</b>
<b>Fund Balances, End of year</b>	<b>\$ 7,950,008</b>	<b>\$ 8,683,912</b>	<b>\$ 1,798,308</b>	<b>\$ 4,567,752</b>	<b>\$ 1,829,252</b>	<b>\$ 24,829,232</b>

**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, 2020

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

Net Change in Fund Balances of Governmental Funds	\$	658,617
<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		7,728,315
Depreciation Expense		(3,420,229)
Disposal of Capital Assets		(3,001)
<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>		
		(3,935,000)
<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		(33,655)
<p>Internal Service Funds are blended into Governmental Activities:</p>		
Fleet Maintenance and Information Technology Funds, Change in Net Position		<u>(158,222)</u>
Change in Net Position of Governmental Activities	\$	<u><u>836,825</u></u>

**City of Rifle, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
<b>Assets</b>					
<i>Current Assets</i>					
Cash and Investments	\$ 11,208,710	\$ 4,065,591	\$ 147,696	\$ 15,421,997	\$ 418,122
Accounts Receivable	298,025	366,814	68,663	733,502	-
Taxes Receivable	201,295	-	-	201,295	-
Prepaid Expenses	499	499	498	1,496	-
Inventory	216,096	9,755	-	225,851	56,919
Total Current Assets	<u>11,924,625</u>	<u>4,442,659</u>	<u>216,857</u>	<u>16,584,141</u>	<u>475,041</u>
<i>Noncurrent Assets</i>					
Capital Assets					
<i>Not Being Depreciated</i>	1,831,192	805,704	-	2,636,896	-
Capital Assets					
<i>Net of Accumulated Depreciation</i>	<u>55,882,173</u>	<u>24,819,923</u>	<u>-</u>	<u>80,702,096</u>	<u>726,418</u>
Total Noncurrent Assets	<u>57,713,365</u>	<u>25,625,627</u>	<u>-</u>	<u>83,338,992</u>	<u>726,418</u>
Total Assets	<u><u>69,637,990</u></u>	<u><u>30,068,286</u></u>	<u><u>216,857</u></u>	<u><u>99,923,133</u></u>	<u><u>1,201,459</u></u>
<b>Liabilities</b>					
<i>Current Liabilities</i>					
Accounts Payable	320	48,280	54,908	103,508	146,036
Accrued Liabilities	35,695	25,424	652	61,771	12,282
Accrued Interest Payable	164,762	128,611	-	293,373	-
Deposits	10,000	-	-	10,000	-
Compensated Absences	2,098	-	-	2,098	-
Loan Payable - Current Portion	1,143,086	973,817	-	2,116,903	-
Certificates of Participation - Current Portion	210,000	-	-	210,000	-
Total Current Liabilities	<u>1,565,961</u>	<u>1,176,132</u>	<u>55,560</u>	<u>2,797,653</u>	<u>158,318</u>
<i>Noncurrent Liabilities</i>					
Compensated Absences	39,871	-	-	39,871	-
Notes Payable	16,655,641	7,838,798	-	24,494,439	-
Certificates of Participation	3,800,000	-	-	3,800,000	-
Total Noncurrent Liabilities	<u>20,495,512</u>	<u>7,838,798</u>	<u>-</u>	<u>28,334,310</u>	<u>-</u>
Total Liabilities	<u>22,061,473</u>	<u>9,014,930</u>	<u>55,560</u>	<u>31,131,963</u>	<u>158,318</u>
<b>Deferred Inflows of Resources</b>					
Deferred Tap Fees	<u>21,969</u>	<u>47,928</u>	<u>-</u>	<u>69,897</u>	<u>-</u>
<b>Net Position</b>					
Net Investment in Capital Assets	35,904,638	16,813,012	-	52,717,650	726,418
Restricted for:					
Emergencies	144,639	-	-	144,639	-
Operations and Maintenance Reserve	584,543	437,061	-	1,021,604	-
Assigned for:					
Subsequent Year's Expenditures	-	-	22,601	22,601	348,012
Unrestricted	<u>10,920,728</u>	<u>3,755,355</u>	<u>138,696</u>	<u>14,814,779</u>	<u>(31,289)</u>
Total Net Position	<u><u>\$ 47,554,548</u></u>	<u><u>\$ 21,005,428</u></u>	<u><u>\$ 161,297</u></u>	<u><u>\$ 68,721,273</u></u>	<u><u>\$ 1,043,141</u></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, 2020**

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total	Internal Service Funds
<b>Operating Revenues</b>					
Charges for Services	\$ 3,712,392	\$ 3,549,661	\$ 674,504	\$ 7,936,557	\$ 1,190,313
Sale of Materials	16,850	-	-	16,850	-
Operating Grants	-	25,000	-	25,000	3,904
Other	494,364	-	-	494,364	-
<b>Total Operating Revenues</b>	<u>4,223,606</u>	<u>3,574,661</u>	<u>674,504</u>	<u>8,472,771</u>	<u>1,194,217</u>
<b>Operating Expenses</b>					
Personal Services	804,764	516,111	14,726	1,335,601	412,967
Supplies	71,055	101,972	-	173,027	185,912
Purchased Services	795,156	550,521	649,335	1,995,012	458,868
Other Expenses	7,716	505	-	8,221	-
Management Fees	150,965	125,609	25,863	302,437	-
Fleet Maintenance	37,500	35,507	-	73,007	2,113
Information Technology Maintenance	64,112	34,673	981	99,766	8,178
Small Equipment Purchases	3,373	-	-	3,373	90,640
Depreciation	1,557,121	1,064,640	-	2,621,761	198,186
<b>Total Operating Expenses</b>	<u>3,491,762</u>	<u>2,429,538</u>	<u>690,905</u>	<u>6,612,205</u>	<u>1,356,864</u>
<b>Operating Income (Loss)</b>	<u>731,844</u>	<u>1,145,123</u>	<u>(16,401)</u>	<u>1,860,566</u>	<u>(162,647)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Sales and Use Taxes	1,938,371	-	-	1,938,371	-
Investment Income	79,807	28,006	1,386	109,199	4,315
Other Revenues	14,334	378	-	14,712	110
Amortization of Bond Premiums	69,257	35,613	-	104,870	-
Interest and Fiscal Charges	(513,170)	(330,785)	-	(843,955)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>1,588,599</u>	<u>(266,788)</u>	<u>1,386</u>	<u>1,323,197</u>	<u>4,425</u>
<b>Income (Loss) Before Capital Contributions &amp; Transfers</b>	<u>2,320,443</u>	<u>878,335</u>	<u>(15,015)</u>	<u>3,183,763</u>	<u>(158,222)</u>
<b>Capital Contributions</b>					
System Improvement Fees	221,296	323,591	-	544,887	-
Cash in lieu of Water Rights	7,979	-	-	7,979	-
Capital Grants	725,089	-	-	725,089	-
<b>Total Capital Contributions</b>	<u>954,364</u>	<u>323,591</u>	<u>-</u>	<u>1,277,955</u>	<u>-</u>
<b>Transfers</b>					
Transfers Out	-	-	(2,000)	(2,000)	-
<b>Total Transfers</b>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
<b>Change in Net Position</b>	<u>3,274,807</u>	<u>1,201,926</u>	<u>(17,015)</u>	<u>4,459,718</u>	<u>(158,222)</u>
<b>Net Position, Beginning of year</b>	<u>44,279,741</u>	<u>19,803,502</u>	<u>178,312</u>	<u>64,261,555</u>	<u>1,201,363</u>
<b>Net Position, End of year</b>	<u>\$ 47,554,548</u>	<u>\$ 21,005,428</u>	<u>\$ 161,297</u>	<u>\$ 68,721,273</u>	<u>\$ 1,043,141</u>

**City of Rifle, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
<b>Cash Flows From Operating Activities</b>					
Cash Received from Customers	\$ 3,757,029	\$ 3,525,597	\$ 665,797	\$ 7,948,423	\$ 1,190,313
Cash Received from Others	494,364	25,000	-	519,364	3,904
Cash Payments to Vendors and Suppliers	(1,694,433)	(995,171)	(673,828)	(3,363,432)	(682,951)
Cash Payments to Employees	(560,356)	(360,698)	(10,851)	(931,905)	(351,621)
Net Cash Provided (Used) by Operating Activities	<u>1,996,604</u>	<u>2,194,728</u>	<u>(18,882)</u>	<u>4,172,450</u>	<u>159,645</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Other Revenues	14,334	378	-	14,712	110
Payments from (to) Other Funds	-	-	(2,000)	(2,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>14,334</u>	<u>378</u>	<u>(2,000)</u>	<u>12,712</u>	<u>110</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Purchases of Capital Assets	(283,553)	(32,485)	-	(316,038)	(324,751)
Proceeds From System Improvement Fees	221,296	323,591	-	544,887	-
Proceeds From Cash in Lieu of Fees	7,979	-	-	7,979	-
Proceeds From Sales and Use Taxes	1,932,772	-	-	1,932,772	-
Proceeds From Grants	725,089	-	-	725,089	-
Principal Payments on Debt	(1,264,799)	(906,556)	-	(2,171,355)	-
Interest Payments on Debt	(520,944)	(340,754)	-	(861,698)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>817,840</u>	<u>(956,204)</u>	<u>-</u>	<u>(138,364)</u>	<u>(324,751)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Received	79,807	28,006	1,386	109,199	4,315
Net Increase in Cash and Cash Equivalents	2,908,585	1,266,908	(19,496)	4,155,997	(160,681)
Cash and Cash Equivalents, <i>Beginning of Year</i>	8,300,125	2,798,683	167,192	11,266,000	578,803
Cash and Cash Equivalents, <i>End of Year</i>	<u>\$ 11,208,710</u>	<u>\$ 4,065,591</u>	<u>\$ 147,696</u>	<u>\$ 15,421,997</u>	<u>\$ 418,122</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	\$ 731,844	\$ 1,145,123	\$ (16,401)	\$ 1,860,566	\$ (162,647)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,557,121	1,064,640	-	2,621,761	198,186
Changes in Asset and Liabilities					
Accounts Receivable	27,787	(24,064)	(8,707)	(4,984)	-
Inventory	(6,432)	-	-	(6,432)	-
Accounts Payable	(305,978)	16,000	6,191	(283,787)	125,621
Accrued Liabilities	(7,738)	(6,971)	35	(14,674)	(1,515)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,996,604</u>	<u>\$ 2,194,728</u>	<u>\$ (18,882)</u>	<u>\$ 4,172,450</u>	<u>\$ 159,645</u>

See Notes to Financial Statements.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**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, 2020

**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.

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.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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.

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.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 1: Summary of Significant Accounting Policies (Continued)**

**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.

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.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

*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.

**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 May 28, 2021, the date the financial statements were available to be issued.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 2: Cash and Investments**

A summary of cash and investments at December 31, 2020, follows:

Petty Cash	\$ 2,961
Cash Deposits	4,528,190
Investments	<u>34,788,967</u>
 Total	 <u>\$ 39,320,118</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, 2020, the City had bank deposits of \$6,881,286 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.

- 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)
- Certificates of deposit

At December 31, 2020, the City had the following investments:

	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5 Years	Total
U.S. Treasury Securities	AA+	\$ -	\$ 8,813,627	\$ 8,813,627
U.S. Treasury Securities Strip	n/a	1,969,230	-	1,969,230
Certificates of Deposit	n/a	203,071	756,493	959,564
Money Market Funds	n/a	960,837	-	960,837
Local Government Investment Pools	AAAm	<u>22,085,709</u>	<u>-</u>	<u>22,085,709</u>
 Total		 <u>\$ 25,218,847</u>	 <u>\$ 9,570,120</u>	 <u>\$ 34,788,967</u>

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 2: Cash and Investments**

**Investments** (Continued)

*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, 2020, 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, 2020, the City's investments in the following represented more than 5% of the City's total investments.

	Rating	Total
U.S. Treasury Securities		
Federal Farm Credit Bank Bond	AA+	7.3%
Federal Home Loan Mortgage Corp Note	AA+	7.3%
Federal National Mortgage Association Note	AA+	5.9%
U.S. Treasury Security Strip	n/a	5.7%
Local Government Investment Pools		
ColoTrust Prime	AAAm	26.3%
CSAFE	AAAm	37.2%

*Local Government Investment Pools* - At December 31, 2020, the City had \$9,162,089 and \$12,923,620 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.

**City of Rifle, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2020**

**Note 3: Capital Assets**

Capital asset Governmental activity for the year ended December 31, 2020, is summarized below:

<b>Governmental Activities</b>	<b>Balance 12/31/19</b>	<b>Additions</b>	<b>Transfer</b>	<b>Deletions</b>	<b>Balance 12/31/20</b>
<b>Capital Assets, Not Being Depreciated:</b>					
Land	\$ 3,979,905	\$ -	\$ -	\$ -	\$ 3,979,905
Construction in Progress	-	18,584	-	-	18,584
<b>Total Capital Assets, Not Being Depreciated</b>	<b>3,979,905</b>	<b>18,584</b>	<b>-</b>	<b>-</b>	<b>3,998,489</b>
<b>Capital Assets, Being Depreciated:</b>					
Buildings	16,386,089	-	(105,533)	(6,295)	16,274,261
Improvements	74,801,251	7,597,616	481	(14,515)	82,384,833
Equipment	4,372,474	112,115	105,052	(483)	4,589,158
Internal Service - Equipment	2,491,263	324,751	-	-	2,816,014
<b>Total Capital Assets, Being Depreciated</b>	<b>98,051,077</b>	<b>8,034,482</b>	<b>-</b>	<b>(21,293)</b>	<b>106,064,266</b>
<b>Less Accumulated Depreciation:</b>					
Buildings	(7,094,719)	(406,085)	44,183	6,024	(7,450,597)
Improvements	(39,091,870)	(2,742,198)	(44,183)	11,785	(41,866,466)
Equipment	(3,352,855)	(271,946)	-	483	(3,624,318)
Internal Service - Equipment	(1,891,410)	(198,186)	-	-	(2,089,596)
<b>Total Accumulated Depreciation</b>	<b>(51,430,854)</b>	<b>(3,618,415)</b>	<b>-</b>	<b>18,292</b>	<b>(55,030,977)</b>
<b>Total Capital Assets, Being Depreciated, net</b>	<b>46,620,223</b>	<b>4,416,067</b>	<b>-</b>	<b>(3,001)</b>	<b>51,033,289</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 50,600,128</b>	<b>\$ 4,434,651</b>	<b>-</b>	<b>\$ (3,001)</b>	<b>\$ 55,031,778</b>

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

Governmental Activities	<b>Total</b>
General Government	\$ 512,486
Public Safety	1,602
Public Works	2,205,203
Cemetery	3,181
Parks and Recreation	617,838
Economic Development	79,919
	<b>3,420,229</b>
Internal Service - Equipment	198,186
<b>Total</b>	<b>\$ 3,618,415</b>

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 3: Capital Assets (Continued)**

Capital asset Business-Type activity for the year ended December 31, 2020, is summarized below:

<b>Business-Type Activities</b>	<b>Balance 12/31/19</b>	<b>Additions</b>	<b>Transfers</b>	<b>Deletions</b>	<b>Balance 12/31/20</b>
<i>Capital Assets, Not Being Depreciated:</i>					
Land and improvements	\$ 1,985,544	\$ -	\$ -	\$ -	\$ 1,985,544
Water Rights	651,352	-	-	-	651,352
<b>Total Capital Assets, Not Being Depreciated</b>	<b>2,636,896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,636,896</b>
<i>Capital Assets, Being Depreciated:</i>					
Buildings	73,822,846	-	-	-	73,822,846
Improvements	41,972,933	253,573	-	-	42,226,506
Equipment	2,364,452	62,465	-	-	2,426,917
<b>Total Capital Assets, Being Depreciated</b>	<b>118,160,231</b>	<b>316,038</b>	<b>-</b>	<b>-</b>	<b>118,476,269</b>
<i>Less Accumulated Depreciation:</i>					
Buildings	(20,896,547)	(1,820,570)	-	-	(22,717,117)
Improvements	(12,372,525)	(736,391)	-	-	(13,108,916)
Equipment	(1,883,340)	(64,800)	-	-	(1,948,140)
<b>Total Accumulated Depreciation</b>	<b>(35,152,412)</b>	<b>(2,621,761)</b>	<b>-</b>	<b>-</b>	<b>(37,774,173)</b>
<b>Total Capital Assets, Being Depreciated</b>	<b>83,007,819</b>	<b>(2,305,723)</b>	<b>-</b>	<b>-</b>	<b>80,702,096</b>
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 85,644,715</b>	<b>\$ (2,305,723)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,338,992</b>

**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, 2020:

	<b>Balance 12/31/19</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance 12/31/20</b>	<b>Due Within One Year</b>
Construction Loan	\$ 260,001	\$ 3,953,500	\$ (18,500)	\$ 4,195,001	\$ 154,701
Compensated Absences	508,540	120,163	(86,509)	542,194	95,788
<b>Total</b>	<b>\$ 768,541</b>	<b>\$ 4,073,663</b>	<b>\$ (105,009)</b>	<b>\$ 4,737,195</b>	<b>\$ 250,489</b>

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 was allowed to draw upon the loan through December 2020, at which time the loan converted into a term loan. The loan is due on December 1, 2040, with a maximum bi-annual payment of \$144,588. Semi-annual payments are due on June 1 and December 1. Interest on the unpaid outstanding loan balance is at 3.3%. During the loan period, the City must maintain a cash deposit with the lender in a Debt Service Reserve Fund equal to 125% of the bi-annual principal and interest payable on the loan in the amount of \$180,698.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 4: Long-Term Debt** (Continued)

**Governmental Activities** (Continued)

The loan's future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 154,701	\$ 134,415	\$ 289,116
2022	155,229	133,887	289,116
2023	160,466	128,650	289,116
2024	165,532	123,584	289,116
2025	171,464	117,652	289,116
2026 - 2030	947,797	497,783	1,445,580
2031 - 2035	1,118,913	326,668	1,445,581
2036 - 2040	1,320,899	124,681	1,445,580
Total	<u>\$ 4,195,001</u>	<u>\$ 1,587,320</u>	<u>\$ 5,782,321</u>

**Business-Type Activities**

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2020:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/20</u>	<u>Due Within</u> <u>One Year</u>
2007 CWRPDA Loan - Wastewater	\$ 9,449,100	\$ -	\$ (906,556)	\$ 8,542,544	\$ 938,204
Premium	305,684	-	(35,613)	270,071	35,613
2012 CWRPDA Loan - Water	16,554,945	-	(967,022)	15,587,923	979,187
2012 CWRPDA Loan - Water (Fed)	1,362,829	-	(92,777)	1,270,052	94,641
Premium	1,010,009	-	(69,257)	940,752	69,258
2015 Certificate of Participation - Water	4,215,000	-	(205,000)	4,010,000	210,000
Compensated Absences	39,092	83,015	(80,138)	41,969	2,098
Total	<u>\$ 32,936,659</u>	<u>\$ 83,015</u>	<u>\$ (2,356,363)</u>	<u>\$ 30,663,311</u>	<u>\$ 2,329,001</u>

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 \$437,061. 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.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**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>
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	1,064,384	190,537	1,254,921
2026 - 2028	<u>3,546,280</u>	<u>206,522</u>	<u>3,752,802</u>
Total	<u>\$ 8,542,544</u>	<u>\$ 1,458,107</u>	<u>\$ 10,000,651</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 \$584,543. 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.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,064,333	257,950	1,322,283
2026 - 2030	5,510,206	1,106,723	6,616,929
2031 - 2034	<u>4,932,425</u>	<u>371,236</u>	<u>5,303,661</u>
Total	<u>\$ 15,587,923</u>	<u>\$ 2,949,847</u>	<u>\$ 18,537,770</u>

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.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 4: Long-Term Debt (Continued)**

**Business-Type Activities** (Continued)

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>
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	102,483	17,089	119,572
2026 - 2030	544,154	53,703	597,857
2031 - 2033	<u>233,282</u>	<u>5,861</u>	<u>239,143</u>
Total	<u>\$ 1,270,052</u>	<u>\$ 164,805</u>	<u>\$ 1,434,857</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 started 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.

The 2015 Certificate of Participation future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	240,000	99,012	339,012
2026 - 2030	1,325,000	375,628	1,700,628
2031 - 2035	<u>1,555,000</u>	<u>144,536</u>	<u>1,699,536</u>
Total	<u>\$ 4,010,000</u>	<u>\$ 1,087,576</u>	<u>\$ 5,097,576</u>

**Note 5: Interfund Transactions**

The City has recorded the following routine transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 35,000	\$ (5,000)
Parks and Recreation	10,600	(1,000,400)
Capital Improvements	1,000,000	-
Non-major Governmental Funds	17,400	(55,600)
Sanitation Fund	<u>-</u>	<u>(2,000)</u>
Total	<u>\$ 1,063,000</u>	<u>\$ (1,063,000)</u>

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**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, 2020, the City contributed \$179,270 and the employees contributed \$114,729 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, 2020, the City contributed \$192,720 to the plan.

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.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**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.

**2021 Budget Designations**

Through the adoption of the 2021 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 2021 budgeted expenditures exceed the 2021 budgeted revenues.

**Current Economic Conditions**

During the year ended December 31, 2020, the United States of America and State of Colorado declared an emergency associated with the COVID-19 pandemic. Along with significant declines in financial markets, the public health emergency creates uncertain economic conditions. The City has adapted and made changes to operations due to the potential impacts on health and safety, however the full economic effect on the City is uncertain. Should these conditions continue, the City could continue to be negatively impacted.

**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.

**City of Rifle, Colorado**  
Notes to the Financial Statements  
December 31, 2020

**Note 9: Rate Maintenance (Continued)**

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

	<b>Water Fund</b>	<b>Wastewater Fund</b>
<b>Revenues</b>		
Operating Revenues	\$ 4,223,606	\$ 3,574,661
Sales & Use Taxes	1,938,371	-
System Improvement Fees	221,296	323,591
Investment Income	79,807	28,006
Cash in Lieu of Water Rights Fees	7,979	-
Other Revenues	14,334	378
 Total Revenues	 6,485,393	 3,926,636
<b>Expenses</b>		
Operating Expenses	3,491,762	2,429,538
Less Depreciation	(1,557,121)	(1,064,640)
 Net Expenses	 1,934,641	 1,364,898
 Net Revenues	 \$ 4,550,752	 \$ 2,561,738
 <b>Debt Service Requirements (Parity and Subordinate)</b>		
2007 CWRPDA Note Payable	\$ -	\$ 1,248,121
2012 CWRPDA - Interest Bearing	1,323,834	-
2012 CWRPDA - Federal	119,571	-
2015 Certificates of Participation	337,256	-
 Debt Service Required	 1,780,661	 1,248,121
 <b>Required Coverage</b>		
(Water at 100%, without System Improvement Fees)	110%	110%
 Debt Service Coverage at 110%	 \$ 1,958,727	 \$ 1,372,933
 Net Revenue Excess	 \$ 2,592,025	 \$ 1,188,805

## **Required Supplementary Information**

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 6,363,347	\$ 6,376,347	\$ 6,622,076	\$ 245,729
Licenses and Permits	173,750	173,750	212,280	38,530
Intergovernmental	1,528,064	2,220,564	1,390,903	(829,661)
Charges for Services	830,787	830,787	834,006	3,219
Interest Income	80,055	80,055	63,062	(16,993)
Miscellaneous	34,000	34,000	150,508	116,508
<b>Total Revenue</b>	<u>9,010,003</u>	<u>9,715,503</u>	<u>9,272,835</u>	<u>(442,668)</u>
<b>Expenditures</b>				
General Government	3,691,783	4,470,783	3,965,174	(505,609)
Public Safety	3,186,948	3,189,948	3,072,632	(117,316)
Public Works	1,761,711	1,761,711	1,701,731	(59,980)
Parks and Recreation	341,527	341,527	345,042	3,515
Capital Outlay	283,600	303,600	270,029	(33,571)
<b>Total Expenditures</b>	<u>9,265,569</u>	<u>10,067,569</u>	<u>9,354,608</u>	<u>(712,961)</u>
<b>Excess Revenues Over (Under) Expenditures</b>	(255,566)	(352,066)	(81,773)	270,293
<b>Other Financing Sources (Uses)</b>				
Disposal of capital assets	-	-	750	750
Transfers In	35,000	35,000	35,000	-
Transfers Out	(5,000)	(5,000)	(5,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>30,000</u>	<u>30,000</u>	<u>30,750</u>	<u>750</u>
<b>Change in Fund Balance</b>	(225,566)	(322,066)	(51,023)	271,043
<b>Fund Balance, Beginning of Year</b>	<u>7,248,170</u>	<u>7,248,170</u>	<u>8,001,031</u>	<u>752,861</u>
<b>Fund Balance, End of Year</b>	<u>\$ 7,022,604</u>	<u>\$ 6,926,104</u>	<u>\$ 7,950,008</u>	<u>\$ 1,023,904</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Street Improvement Fund  
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes	\$ 1,284,245	\$ 1,292,247	\$ 8,002
Licenses and Permits	-	100,772	100,772
Intergovernmental	3,090,900	-	(3,090,900)
Investment Income	41,600	76,888	35,288
Other	90,000	29,548	(60,452)
<b>Total Revenues</b>	<u>4,506,745</u>	<u>1,499,455</u>	<u>(3,007,290)</u>
<b>Expenditures</b>			
Public Works	288,374	98,153	(190,221)
Capital Outlay	5,831,000	1,408,690	(4,422,310)
<b>Total Expenditures</b>	<u>6,119,374</u>	<u>1,506,843</u>	<u>4,612,531</u>
<b>Excess Revenues Over (Under) Expenditures</b>	(1,612,629)	(7,388)	1,605,241
<b>Other Financing Sources (Uses)</b>			
Transfers In	185,000	-	(185,000)
Total Other Financing Sources (Uses)	<u>185,000</u>	<u>-</u>	<u>(185,000)</u>
<b>Net Change in Fund Balance</b>	(1,427,629)	(7,388)	1,420,241
<b>Fund Balance, Beginning of year</b>	<u>8,074,609</u>	<u>8,691,300</u>	<u>616,691</u>
<b>Fund Balance, End of year</b>	<u>\$ 6,646,980</u>	<u>\$ 8,683,912</u>	<u>\$ 2,036,932</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Parks and Recreation Fund  
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 2,568,489	\$ 2,568,489	\$ 2,584,495	\$ 16,006
Intergovernmental	724,100	762,600	735,444	(27,156)
Charges for Services	306,102	306,102	232,323	(73,779)
Interest Income	10,500	10,500	16,064	5,564
Other	180,000	180,000	565	(179,435)
<b>Total Revenues</b>	<u>3,789,191</u>	<u>3,827,691</u>	<u>3,568,891</u>	<u>(258,800)</u>
<b>Expenditures</b>				
Parks and Recreation	2,514,573	2,523,073	2,128,666	394,407
Capital Outlay	4,537,038	5,319,038	4,674,546	644,492
Debt Service - Principal	11,250	11,250	11,250	-
Debt Service - Interest	130,000	130,000	96,196	33,804
<b>Total Expenditures</b>	<u>7,192,861</u>	<u>7,983,361</u>	<u>6,910,658</u>	<u>1,072,703</u>
<b>Excess Revenues Over (Under) Expenditures</b>	(3,403,670)	(4,155,670)	(3,341,767)	813,903
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	3,200,000	3,579,700	3,935,000	355,300
Transfers In	10,600	10,600	10,600	-
Transfers (Out)		(1,000,000)	(1,000,400)	(400)
<b>Total Other Financing Sources (Uses)</b>	<u>3,210,600</u>	<u>2,590,300</u>	<u>2,945,200</u>	<u>354,900</u>
<b>Net Change in Fund Balance</b>	(193,070)	(1,565,370)	(396,567)	1,168,803
<b>Fund Balance, Beginning of year</b>	<u>2,181,580</u>	<u>2,181,580</u>	<u>2,194,875</u>	<u>13,295</u>
<b>Fund Balance, End of year</b>	<u>\$ 1,988,510</u>	<u>\$ 616,210</u>	<u>\$ 1,798,308</u>	<u>\$ 1,182,098</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Capital Improvement Fund  
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment Income	\$ 40,000	\$ 40,000	\$ 31,956	\$ (8,044)
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>31,956</u>	<u>(8,044)</u>
<b>Expenditures</b>				
Capital Outlay	<u>28,000</u>	<u>28,000</u>	<u>18,584</u>	<u>9,416</u>
Total Expenditures	<u>28,000</u>	<u>28,000</u>	<u>18,584</u>	<u>9,416</u>
<b>Excess Revenues Over (Under) Expenditures</b>	12,000	12,000	13,372	1,372
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	12,000	1,012,000	1,013,372	1,372
<b>Fund Balance, Beginning of year</b>	<u>3,514,613</u>	<u>3,514,613</u>	<u>3,554,380</u>	<u>39,767</u>
<b>Fund Balance, End of year</b>	<u>\$ 3,526,613</u>	<u>\$ 4,526,613</u>	<u>\$ 4,567,752</u>	<u>\$ 41,139</u>

**City of Rifle, Colorado**  
Notes to Required Supplementary Information  
December 31, 2020

**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, 2020**

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
<b>Assets</b>							
Cash and Investments	\$ 342,671	\$ 195,197	\$ 91,348	\$ 735,077	\$ 183,815	\$ 262,571	\$ 1,810,679
Accounts Receivable	-	-	-	1,331	-	-	1,331
Taxes Receivable	-	7,175	-	22,169	-	-	29,344
Property Taxes Receivable	-	-	43,801	-	-	-	43,801
Due from Other Governments	-	-	251	-	-	-	251
Total Assets	<u>\$ 342,671</u>	<u>\$ 202,372</u>	<u>\$ 135,400</u>	<u>\$ 758,577</u>	<u>\$ 183,815</u>	<u>\$ 262,571</u>	<u>\$ 1,885,406</u>
<b>Liabilities</b>							
Accounts Payable	\$ -	\$ -	\$ 2,385	\$ 2,528	\$ -	\$ -	\$ 4,913
Deposit	-	-	-	7,440	-	-	7,440
Total Liabilities	-	-	2,385	9,968	-	-	12,353
<b>Deferred Inflows of Resources</b>							
Property Taxes	-	-	43,801	-	-	-	43,801
<b>Fund Balances</b>							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	242,771	242,771
Assigned For:							
Subsequent Year's Expenditures	-	27,095	-	83,679	161,100	19,800	291,674
Economic Development	-	175,277	89,214	664,930	22,715	-	952,136
Unrestricted, Unassigned	342,671	-	-	-	-	-	342,671
Total Fund Balances	<u>342,671</u>	<u>202,372</u>	<u>89,214</u>	<u>748,609</u>	<u>183,815</u>	<u>262,571</u>	<u>1,829,252</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 342,671</u>	<u>\$ 202,372</u>	<u>\$ 135,400</u>	<u>\$ 758,577</u>	<u>\$ 183,815</u>	<u>\$ 262,571</u>	<u>\$ 1,885,406</u>

**City of Rifle, Colorado**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2020

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
<b>Revenues</b>							
Taxes	\$ -	\$ 117,533	\$ 44,843	\$ 213,480	\$ 50,548	\$ -	\$ 426,404
Intergovernmental	98,108	88,581	-	2,466	-	-	189,155
Charges for Services	-	-	-	104,832	-	6,810	111,642
Investment Income	2,467	1,531	803	6,668	1,271	2,223	14,963
<b>Total Revenues</b>	<u>100,575</u>	<u>207,645</u>	<u>45,646</u>	<u>327,446</u>	<u>51,819</u>	<u>9,033</u>	<u>742,164</u>
<b>Expenditures</b>							
Economic Development	-	83,676	42,901	322,179	-	-	448,756
Capital Outlay	-	93,234	2,047	59,704	-	-	154,985
<b>Total Expenditures</b>	<u>-</u>	<u>176,910</u>	<u>44,948</u>	<u>381,883</u>	<u>-</u>	<u>-</u>	<u>603,741</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	100,575	30,735	698	(54,437)	51,819	9,033	138,423
<b>Other Financing Sources (Uses)</b>							
Transfers In	-	-	7,000	10,400	-	-	17,400
Transfers Out	-	(55,600)	-	-	-	-	(55,600)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(55,600)</u>	<u>7,000</u>	<u>10,400</u>	<u>-</u>	<u>-</u>	<u>(38,200)</u>
<b>Net Change in Fund Balances</b>	100,575	(24,865)	7,698	(44,037)	51,819	9,033	100,223
<b>Fund Balances, Beginning of year</b>	<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>
<b>Fund Balances, End of year</b>	<u>\$ 342,671</u>	<u>\$ 202,372</u>	<u>\$ 89,214</u>	<u>\$ 748,609</u>	<u>\$ 183,815</u>	<u>\$ 262,571</u>	<u>\$ 1,829,252</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Intergovernmental	\$ 90,000	\$ 98,108	\$ 8,108
Investment Income	600	2,467	1,867
Total Revenues	<u>90,600</u>	<u>100,575</u>	<u>9,975</u>
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(180,000)</u>	<u>-</u>	<u>180,000</u>
Total Other Financing Sources (Uses)	<u>(180,000)</u>	<u>-</u>	<u>180,000</u>
<b>Net Change in Fund Balance</b>	(89,400)	100,575	189,975
<b>Fund Balance, Beginning of year</b>	<u>225,328</u>	<u>242,096</u>	<u>16,768</u>
<b>Fund Balance, End of year</b>	<u>\$ 135,928</u>	<u>\$ 342,671</u>	<u>\$ 206,743</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Visitor Improvement Fund  
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes	\$ 152,440	\$ 117,533	\$ (34,907)
Intergovernmental	87,000	88,581	1,581
Investment Income	1,200	1,531	331
	<u>240,640</u>	<u>207,645</u>	<u>(32,995)</u>
Total Revenues			
<b>Expenditures</b>			
Economic Development	145,866	83,676	62,190
Capital Outlays	100,000	93,234	6,766
	<u>245,866</u>	<u>176,910</u>	<u>68,956</u>
Total Expenditures			
<b>Excess Revenues Over (Under) Expenditures</b>	(5,226)	30,735	35,961
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(55,600)	(55,600)	-
	<u>(55,600)</u>	<u>(55,600)</u>	<u>-</u>
Total Other Financing Sources (Uses)			
<b>Net Change in Fund Balance</b>	(60,826)	(24,865)	35,961
<b>Fund Balance, Beginning of year</b>	<u>237,567</u>	<u>227,237</u>	<u>(10,330)</u>
<b>Fund Balance, End of year</b>	<u>\$ 176,741</u>	<u>\$ 202,372</u>	<u>\$ 25,631</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Downtown Development Fund  
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes	\$ 45,911	\$ 44,843	\$ (1,068)
Investment Income	500	803	303
Total Revenues	46,411	45,646	(765)
<b>Expenditures</b>			
Economic Development	44,697	42,901	1,796
Capital Outlay	1,500	2,047	(547)
Total Expenditures	46,197	44,948	1,249
<b>Excess of Revenues Over (Under) Expenditures</b>	214	698	484
<b>Other Financing Sources (Uses)</b>			
Transfers In	7,000	7,000	-
Total Other Financing Sources (Uses)	7,000	7,000	-
<b>Net Change in Fund Balance</b>	7,214	7,698	484
<b>Fund Balance, Beginning of year</b>	78,589	81,516	2,927
<b>Fund Balance, End of year</b>	\$ 85,803	\$ 89,214	\$ 3,411

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Tourism and Industry Fund  
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 214,651	\$ 214,651	\$ 213,480	\$ (1,171)
Intergovernmental	-	34,000	2,466	(31,534)
Charges for Services	201,920	201,920	104,832	(97,088)
Investment Income	3,500	3,500	6,668	3,168
Other	95,000	95,000	-	(95,000)
<b>Total Revenues</b>	<u>515,071</u>	<u>549,071</u>	<u>327,446</u>	<u>(221,625)</u>
<b>Expenditures</b>				
Economic Development	462,731	474,231	322,179	152,052
Capital Outlay	234,000	256,500	59,704	196,796
<b>Total Expenditures</b>	<u>696,731</u>	<u>730,731</u>	<u>381,883</u>	<u>348,848</u>
<b>Revenues Over (Under) Expenditures</b>	(181,660)	(181,660)	(54,437)	127,223
<b>Other Financing Sources</b>				
Transfers In	10,000	10,000	10,400	400
<b>Total Other Financing Sources</b>	<u>10,000</u>	<u>10,000</u>	<u>10,400</u>	<u>400</u>
<b>Net Change in Fund Balance</b>	(171,660)	(171,660)	(44,037)	127,623
<b>Fund Balance, Beginning of year</b>	<u>792,586</u>	<u>792,586</u>	<u>792,646</u>	<u>60</u>
<b>Fund Balance, End of year</b>	<u>\$ 620,926</u>	<u>\$ 620,926</u>	<u>\$ 748,609</u>	<u>\$ 127,683</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Urban Renewal Authority Fund  
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes	\$ 81,000	\$ 50,548	\$ (30,452)
Investment Income	1,500	1,271	(229)
Total Revenues	<u>82,500</u>	<u>51,819</u>	<u>(30,681)</u>
<b>Expenditures</b>			
Economic Development	75,000	-	75,000
Capital Outlay	125,000	-	125,000
Total Expenditures	<u>200,000</u>	<u>-</u>	<u>200,000</u>
<b>Net Change in Fund Balance</b>	(117,500)	51,819	169,319
<b>Fund Balance, Beginning of year</b>	<u>175,685</u>	<u>131,996</u>	<u>(43,689)</u>
<b>Fund Balance, End of year</b>	<u>\$ 58,185</u>	<u>\$ 183,815</u>	<u>\$ 125,630</u>

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Perpetual Care Fund  
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes	\$ -	\$ 6,810	\$ 6,810
Investment Income	3,000	2,223	(777)
Total Revenues	3,000	9,033	6,033
<b>Fund Balance, Beginning of year</b>	249,316	253,538	4,222
<b>Fund Balance, End of year</b>	\$ 252,316	\$ 262,571	\$ 10,255

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Water Fund  
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$ 3,559,608	\$ 3,712,392	\$ 152,784
Sale of Meters	5,000	16,850	11,850
Other - Operating	607,140	494,364	(112,776)
Sales and Use Taxes	1,925,558	1,938,371	12,813
Investment Income	60,000	79,807	19,807
Other - Nonoperating	25,000	14,334	(10,666)
System Improvement Fees	86,145	221,296	135,151
Cash in Lieu of Fees	2,000	7,979	5,979
Intergovernmental	1,000,000	725,089	(274,911)
Total Revenues	<u>7,270,451</u>	<u>7,210,482</u>	<u>(59,969)</u>
<b>Expenditures</b>			
Personal Services	848,093	804,764	43,329
Supplies	122,000	71,055	50,945
Purchased Services	1,015,600	795,156	220,444
Other Expenses	18,606	7,716	10,890
Management Fees	150,965	150,965	-
Fleet Maintenance	37,500	37,500	-
Information Technology Maintenance	64,112	64,112	-
Capital Outlays	1,290,000	286,926	1,003,074
Interest Expense	451,669	443,913	7,756
Debt Principal Payments	1,272,050	1,264,799	7,251
Total Expenditures	<u>5,270,595</u>	<u>3,926,906</u>	<u>1,343,689</u>
<b>Revenues Over (Under) Expenditures</b>	1,999,856	3,283,576	1,283,720
<b>Transfers</b>			
Transfers Out	<u>(60,000)</u>	<u>-</u>	<u>(60,000)</u>
<b>Change in Net Position - Budgetary Basis</b>	<u>\$ 1,939,856</u>	3,283,576	<u>\$ 1,343,720</u>
<b>Adjustments to GAAP Basis</b>			
Capital Outlay		283,553	
Debt Principal Payments		1,264,799	
Depreciation		<u>(1,557,121)</u>	
<b>Change in Net Position</b>		3,274,807	
<b>Fund Balance, Beginning of year</b>		<u>44,279,741</u>	
<b>Fund Balance, End of year</b>		<u>\$ 47,554,548</u>	

See the accompanying Independent Auditors' Report.

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Wastewater Fund  
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>				
Charges for Services	\$ 3,593,716	\$ 3,593,716	\$ 3,549,661	\$ (44,055)
Intergovernmental	350,000	350,000	25,000	(325,000)
Investment Income	9,000	9,000	28,006	19,006
Other - Nonoperating	-	-	378	378
System Improvement Fees	75,000	75,000	323,591	248,591
Total Revenues	4,027,716	4,027,716	3,926,636	(101,080)
<b>Expenditures</b>				
Personal Services	512,021	512,021	516,111	(4,090)
Supplies	77,500	77,500	101,972	(24,472)
Purchased Services	607,599	663,599	550,521	113,078
Other Expense	29,000	29,000	505	28,495
Management Fees	125,609	125,609	125,609	-
Fleet Maintenance	28,257	28,257	35,507	(7,250)
Information Technology Maintenance	34,673	34,673	34,673	-
Capital Outlays	825,000	825,000	32,485	792,515
Interest Expense	305,140	305,140	295,172	9,968
Debt Principal Payments	913,806	913,806	906,556	7,250
Total Expenditures	3,458,605	3,514,605	2,599,111	915,494
<b>Revenues Over (Under) Expenditures</b>	569,111	513,111	1,327,525	814,414
<b>Change in Net Position - Budgetary Basis</b>	\$ 569,111	\$ 513,111	1,327,525	\$ 814,414
<b>Adjustments to GAAP Basis</b>				
Capital Outlay			32,485	
Debt Principal Payments			906,556	
Depreciation			(1,064,640)	
<b>Change in Net Position</b>			1,201,926	
<b>Fund Balance, Beginning of year</b>			19,803,502	
<b>Fund Balance, End of year</b>			\$ 21,005,428	

**City of Rifle, Colorado**  
 Budgetary Comparison Schedule  
 Sanitation Fund  
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$ 660,499	\$ 660,499	\$ 674,504	\$ 14,005
Other - Operating	50	50	-	(50)
Investment Income	4,800	4,800	1,386	(3,414)
Total Revenues	<u>665,349</u>	<u>665,349</u>	<u>675,890</u>	<u>10,541</u>
<b>Expenditures</b>				
Personal Services	13,911	13,911	14,726	(815)
Purchased Services	611,300	667,300	649,335	17,965
Other Expenses	501	501	-	-
Management Fees	25,863	25,863	25,863	-
Information Technology Maintenance	981	981	981	-
Total Expenditures	<u>652,556</u>	<u>708,556</u>	<u>690,905</u>	<u>17,150</u>
<b>Revenues Over (Under) Expenditures</b>	12,793	(43,207)	(15,015)	(6,609)
<b>Transfers</b>				
Transfers Out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
<b>Change in Net Position - Budgetary Basis</b>	<u>\$ 10,793</u>	<u>\$ (45,207)</u>	(17,015)	<u>\$ (6,609)</u>
<b>Change in Net Position</b>			(17,015)	
<b>Fund Balance, Beginning of year</b>			<u>178,312</u>	
<b>Fund Balance, End of year</b>			<u>\$ 161,297</u>	

## **State Compliance Section**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: CITY OF RIFLE
	YEAR ENDING : December 2020

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 purposes				
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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	639,634
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,388,384
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	177,038
2. General fund appropriations	0	b. Snow and ice removal	141,252
3. Other local imposts (from page 2)	1,704,582	c. Other	27,913
4. Miscellaneous local receipts (from page 2)	197,522	d. Total (a. through c.)	346,203
5. Transfers from toll facilities	0	4. General administration & miscellaneous	215,833
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,215,305
a. Bonds - Original Issues	0	6. Total (1 through 5)	3,805,359
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	1,902,104	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	316,367	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	2,218,471	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	3,805,359

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	-	-	-	-
1. Bonds (Refunding Portion)	-	-	-	-
<b>B. Notes (Total)</b>	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
	1,978,157	2,218,471	3,805,359	391,269	-

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2020

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	76,888
b. Other local imposts:		b. Traffic Fines & Penalties	91,087
1. Sales Taxes	1,292,247	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	100,772	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	311,563	g. Other Misc. Receipts	29,547
6. Total (1. through 5.)	1,704,582	h. Other- Garfield FMLD Grants	0
c. Total (a. + b.)	1,704,582	i. Total (a. through h.)	197,522
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	275,932	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	40,435	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.)	40,435	3. Total (1. + 2.g)	
4. Total (1. + 2. + 3.f)	316,367		(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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		41,317	41,317
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		387,527	387,527
(4). System Enhancement & Operation		210,789	210,789
(5). Total Construction (1) + (2) + (3) + (4)	0	598,317	598,317
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	639,634	639,634
			(Carry forward to page 1)

**Notes and Comments:**