

City of Rifle, Colorado
Financial Statements
with Independent Auditors' Report
December 31, 2022



City of Rifle, Colorado

Table of Contents December 31, 2022

Independent Auditor's Report	1
Management's Discussion and Analysis	i
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statements of Net Position	4
Statement of Activities	5
<i>Governmental Funds</i>	
Balance Sheet	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
<i>Proprietary Funds</i>	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	11
Statement of Cash Flows.....	12
<i>Notes to the Financial Statements</i>	13
Required Supplementary Information	
<i>Budgetary Comparison Schedule</i>	
General Fund.....	29
Street Improvement Fund	30
Parks and Recreation Fund	31
Capital Improvement Fund	32
<i>Notes to Required Supplementary Information</i>	33
Combining and Individual Fund Statements and Schedules	
<i>Combining Statements</i>	
Combining Balance Sheet - Nonmajor Governmental Funds	34
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	35

City of Rifle, Colorado

Table of Contents December 31, 2022 (Continued)

Combining and Individual Fund Statements and Schedules (Continued)

Budgetary Comparison Schedules

Conservation Trust Fund	36
Visitor Improvement Fund.....	37
Downtown Development Fund.....	38
Tourism and Industry Fund.....	39
Urban Renewal Authority Fund.....	40
Perpetual Care Fund	41
Water Fund	42
Wastewater Fund.....	43
Sanitation Fund.....	44

State Compliance

Local Highway Finance Report	45
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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

City Council
City of Rifle, Colorado
Rifle, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Rifle, Colorado (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the City as of December 31, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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's basic financial statements. The supplementary information and the 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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.

Hick & Company, PC

Englewood, Colorado
July 14, 2023



City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

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, 2022.

Financial Highlights

- The assets of the City of Rifle exceeded its liabilities at the close of 2021 by \$155,056,322 (net position). Of this amount; \$108,637,874 was categorized as net investment in capital assets, \$293,906 was nonspendable, \$3,021,553 was restricted, \$169,814 was assigned and \$42,933,175 was unrestricted and can be used to meet the government's ongoing obligations.
- Total net position across the entire entity increased by \$6,024,882 or 4.04%.
- The General fund unassigned fund balance at December 31, 2022, was \$9,986,249; this equates to 97.51% of 2022 total general fund expenditures.
- The business-type activities net position increased \$4,268,969 to \$76,945,561 during the year. The Water Fund increased \$2,546,914; Sewer Fund increased \$1,700,801; and the Sanitation Fund increased \$21,254.

Overview of Report

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

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

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

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

The government-wide financial statements can be found on pages 4-5 of this report and are described further in Note 1 to the Financial Statements, starting on p. 13.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

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 6-9 of this report. The basic governmental financial statements for the non-major funds are found on pages 34-41.

- 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.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

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.

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 10-12 of this report. The budget and actual reports are shown on pages 42-44.

- 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 13-28 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 45-46.

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 2022 by \$155,056,322.

The largest portion of the City's net position (70%) 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, 2022

Net Position

The following table shows the City's net position for 2022 as compared to 2021.

STATEMENT OF NET POSITION
December 31, 2022 and 2021

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 27,841,318	\$ 26,205,206	\$ 23,636,799	\$ 20,408,254	\$ 51,478,117	\$ 46,613,460
Capital assets (net)	<u>58,700,880</u>	<u>59,179,796</u>	<u>79,890,154</u>	<u>81,250,639</u>	<u>138,591,034</u>	<u>140,430,435</u>
Total assets	<u>86,542,198</u>	<u>85,385,002</u>	<u>103,526,953</u>	<u>101,658,893</u>	<u>190,069,151</u>	<u>187,043,895</u>
Other liabilities	1,009,093	2,561,912	2,944,924	2,870,282	3,954,017	5,432,194
Long-term liabilities	<u>4,264,857</u>	<u>4,533,619</u>	<u>23,566,571</u>	<u>26,042,122</u>	<u>27,831,428</u>	<u>30,575,741</u>
Total liabilities	<u>5,273,950</u>	<u>7,095,531</u>	<u>26,511,495</u>	<u>28,912,404</u>	<u>31,785,445</u>	<u>36,007,935</u>
Deferred Inflows:						
Property Taxes/Tap Fees	<u>3,157,487</u>	<u>1,934,623</u>	<u>69,897</u>	<u>69,897</u>	<u>3,227,384</u>	<u>2,004,520</u>
Net position:						
Invested in capital assets net of related debt	54,684,740	54,815,644	53,953,134	52,927,704	108,637,874	107,743,348
Nonspendable						
Cemetery Perpetual Care	293,906	258,416	-	-	293,906	258,416
Restricted For:						
for Emergencies	855,000	528,338	205	143,144	855,205	671,482
for Parks and Recreation	472,734	161,953	-	-	472,734	161,953
for Debt Service and O&M Reserves	203,417	180,698	1,490,197	995,162	1,693,614	1,175,860
Assigned for:						
for Channel10	36,293	30,500	-	-	36,293	30,500
for Senior Center Meals and Capital	131,049	101,197	-	-	131,049	101,197
for Police Expenditures	2,472	2,472	-	-	2,472	2,472
Unrestricted	<u>21,431,150</u>	<u>20,275,630</u>	<u>21,502,025</u>	<u>18,610,582</u>	<u>42,933,175</u>	<u>38,886,212</u>
Total Net Position	<u>\$ 78,110,761</u>	<u>\$ 76,354,848</u>	<u>\$ 76,945,561</u>	<u>\$ 72,676,592</u>	<u>\$ 155,056,322</u>	<u>\$ 149,031,440</u>

An additional portion of the City's net position balance (2.25%) represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted* balance of (27.69%) 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, 2022, non-spendable and restricted net position in the governmental activities included the following: Cemetery Perpetual Care (\$293,906), Debt Service (203,417), TABOR Emergencies (\$855,000), and Parks and Recreation (\$472,734). The Business-Type Activities includes restricted net position of the following: Debt Service and O&M reserves (\$1,490,197), and TABOR Emergencies (\$205). The remaining balance of net position (unrestricted net position) totals \$42,933,175. 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, 2022

Changes in Net Position

The following summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balance (as on p.8 of the report), with a comparison to the prior year.

	SUMMARY OF CHANGES IN NET POSITION					
	Governmental		Business Type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for services	\$ 1,931,174	\$ 1,708,406	\$ 8,991,769	\$ 8,877,493	\$ 10,922,943	\$ 10,585,899
Operating grants and contributions	3,434,998	\$ 1,815,043	102,518	269,482	3,537,516	2,084,525
Capital grants and contributions	168,408	\$ 206,801	-	-	168,408	206,801
General Revenues:						
Property taxes	856,251	827,737	-	-	856,251	827,737
Sales and use taxes	12,252,686	11,419,731	2,475,498	2,256,632	14,728,184	13,676,363
Other taxes	703,964	604,454	-	-	703,964	604,454
Investment earnings	24,961	146,884	8,277	103,292	33,238	250,176
Other revenues	635,955	192,660	514,773	531,631	1,150,728	724,291
Total revenues	<u>20,008,397</u>	<u>16,921,716</u>	<u>12,092,835</u>	<u>12,038,530</u>	<u>32,101,232</u>	<u>28,960,246</u>
EXPENSES						
General government	4,838,419	4,861,698	-	-	4,838,419	4,861,698
Public Safety	3,171,813	2,899,224	-	-	3,171,813	2,899,224
Public Works	5,625,934	4,312,854	-	-	5,625,934	4,312,854
Cemetery	5,165	3,972	-	-	5,165	3,972
Parks and recreation	3,489,306	3,217,212	-	-	3,489,306	3,217,212
Economic development and assistance	987,467	582,602	-	-	987,467	582,602
Interest Expense	136,376	131,854	-	-	136,376	131,854
Water operations	-	-	4,205,173	4,547,934	4,205,173	4,547,934
Sewer operations	-	-	2,829,013	2,783,990	2,829,013	2,783,990
Sanitation operations	-	-	787,680	749,288	787,680	749,288
Total expenses	<u>18,254,480</u>	<u>16,009,416</u>	<u>7,821,866</u>	<u>8,081,212</u>	<u>26,076,346</u>	<u>24,090,628</u>
Increase in net assets before transfers	1,753,915	912,300	4,270,969	3,957,318	6,024,886	4,869,618
Transfers	2,000	2,000	(2,000)	(2,000)	-	-
Increase in net assets	1,755,915	914,300	4,268,969	3,955,318	6,024,886	4,869,618
Net Position, Beginning of year	76,354,846	75,440,548	72,676,592	68,721,274	149,031,438	144,161,822
Net Position, end of year	<u>\$78,110,761</u>	<u>\$76,354,846</u>	<u>\$76,945,561</u>	<u>\$72,676,592</u>	<u>\$155,056,324</u>	<u>\$149,031,440</u>

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCE

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

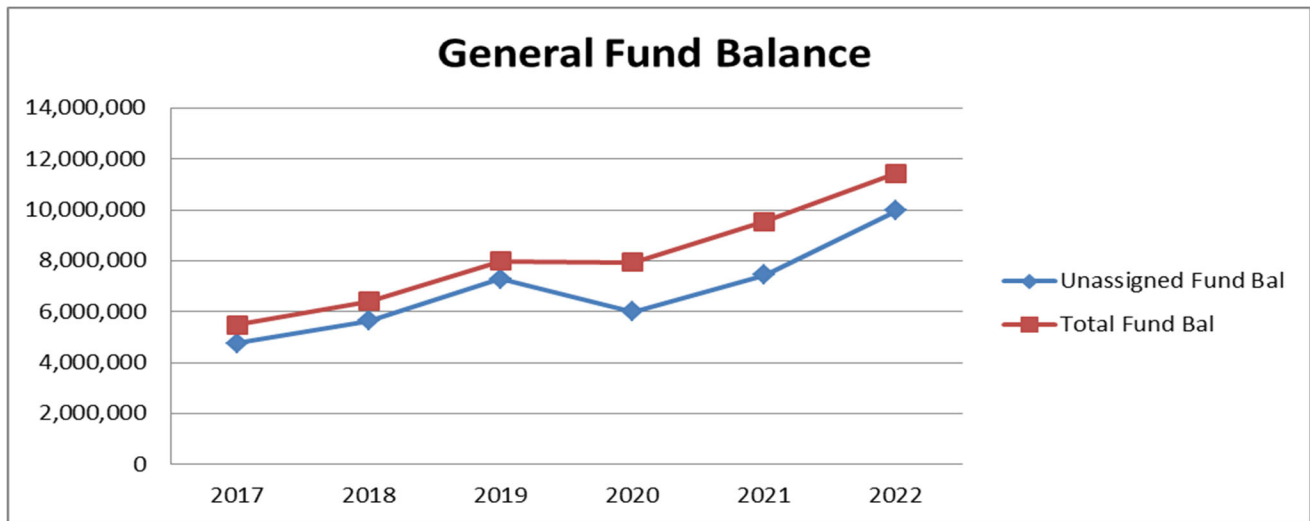
Governmental Funds – The focus of the City's governmental funds statements is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful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

City of Rifle, Colorado
 Management’s Discussion and Analysis
 December 31, 2022

One of the differences between the governmental activities as reported in the government-wide *Statement of Activities* and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new assets are capitalized and only depreciation expense for those assets is reported in the *Statement of Activities*. In the individual governmental fund financial statements, the expenditure for the capital asset acquisitions is reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balance*. Therefore, governmental fund capital outlay expenditures of \$3,026,907 acquired in 2022 (page 9) are not reflected in the *Statement of Activities*.

At year-end 2022, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 6) reported a combined fund balance of \$23,995,219, a decrease of \$2,163,718 from the prior year. The General Fund balance increased \$1,887,718 or 19.74%. The Street Improvement Fund balance decreased \$459,972 or 10.2%. The Parks and Recreation Fund balance increased \$446,844 or 17.6%.

The General Fund unassigned fund balance at December 31, 2022 was \$9,986,249, or 97.51% of 2022 annual expenditures. Unassigned fund balance increased \$2,533,536 with expenditures exceeding revenues by \$1,887,718. 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 \$4,268,969 to \$76,945,561. Investment in capital assets, net of related debt represents 70.11% of total net position.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

ENTERPRISE FUND NET POSITION
December 31, 2022 and 2021

	<u>Water</u>		<u>Wastewater</u>		<u>Sanitation</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Investment in capital assets net of related debt	\$ 36,520,636	\$ 35,666,983	\$ 17,432,497	\$ 17,260,721	\$ -	\$ -	\$ 53,953,133	52,927,704
Restricted:								
For Emergencies	205,000	143,114	-	-	-	-	205,000	143,114
For Operations and Maintenance Reserve	663,535	608,678	826,662	386,484	-	-	1,490,197	995,162
Unrestricted	<u>15,010,345</u>	<u>13,433,827</u>	<u>6,107,828</u>	<u>5,018,981</u>	<u>179,058</u>	<u>157,804</u>	<u>21,297,231</u>	<u>18,610,612</u>
Total net position	<u>\$ 52,399,516</u>	<u>\$ 49,852,602</u>	<u>\$ 24,366,987</u>	<u>\$ 22,666,186</u>	<u>\$ 179,058</u>	<u>\$ 157,804</u>	<u>\$ 76,945,561</u>	<u>\$ 72,676,592</u>

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

A replacement Water Treatment plant was constructed with \$23.8 million loan obtained from the Colorado Water Resources and Power Development Authority. Water user fees and a 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. The Water Fund has also continued to increase user fees to ensure proper funding for care and maintenance of existing facilities.

In 2022, the Water fund increased Net Position by \$2,546,914. Wastewater increased by \$1,700,801. The Sanitation fund incurred a net increase of \$21,254.

Total unrestricted net position increased \$2,686,619 during 2022. The Water Fund's unrestricted net position increased by \$1,576,518; Wastewater Fund increased \$1,088,847; and the Sanitation Fund increased by \$21,254.

General Fund Budgetary Highlights

The General Fund revenues increased by \$1,100,919 or 9.98% from 2021 and exceeded budget by \$1,760,390 or 16.98%. Expenditures increase \$823,743 from 2021 or 8.75% and were under budget by \$654,023, or 6.00%. 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 2022, the City had \$138,591,034 invested in capital assets net of depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and trails. Total investment in capital assets for the current year decreased by 1.31%.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

CAPITAL ASSETS AT YEAR-END						
(Net of Depreciation)						
As of December 31, 2022 and 2021						
	Governmental		Business Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land & Rights	\$ 4,365,823	\$ 4,378,899	\$ 1,985,544	\$ 1,985,544	\$ 6,351,367	\$ 6,364,443
Construction in Process	699,908	1,107,558	651,352	651,352	1,351,260	1,758,910
Buildings	9,133,699	8,480,519	47,360,115	49,228,747	56,493,814	57,709,266
Improvements	42,714,799	43,471,078	28,708,648	28,392,271	71,423,447	71,863,349
Equipment	671,652	792,708	1,184,495	992,725	1,856,147	1,785,433
Int Svc Equipment & Vehicles	1,114,999	949,034	-	-	1,114,999	949,034
Total	<u>\$ 58,700,880</u>	<u>\$ 59,179,796</u>	<u>\$ 79,890,154</u>	<u>\$ 81,250,639</u>	<u>\$ 138,591,034</u>	<u>\$ 140,430,435</u>

Debt Administration – At the end of 2022, the City of Rifle had a balance of \$29,778,573 outstanding in revenue bonds; revenue notes payable, notes payable and capital leases, of which \$3,884,999 is a construction loan for the pool renovation. Footnote disclosure number 4 on page 21 provides additional information regarding this and other obligations. The City has no general obligation debt.

OUTSTANDING DEBT						
Years Ended December 31, 2022 and 2021						
	Governmental		Business Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue bonds and notes payable	\$ -	\$ -	\$ 25,893,574	\$ 28,294,438	\$ 25,893,574	\$ 28,294,438
Construction Loan	\$ 3,884,999	\$ 4,037,739	-	-	\$ 3,884,999	\$ 4,037,739
Total	<u>\$ 3,884,999</u>	<u>\$ 4,037,739</u>	<u>\$ 25,893,574</u>	<u>\$ 28,294,438</u>	<u>\$ 29,778,573</u>	<u>\$ 32,332,177</u>

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

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2022

Economic Factors

In 2022 the City of Rifle experienced a 9.07% increase in sales and use tax collections. A conservative approach was taken in the preparation of the 2022 budget. Therefore, the strong sales and use tax collection led the city to exceed revenue expectations. The City of Rifle, as a result of thoughtful leadership and prudent management, built up the reserves in its General Fund as well as other major funds across the reporting entity. The City continues to deal with the impacts of the recent pandemic. However, The City of Rifle believes recovery is nearly complete. The City of Rifle continues to take steps to stimulate the local economy and drive new business to the area. The local economy has made a significant start to return to pre-pandemic levels of economic activity. In 2023 the city expects continued growth in the local economy. However, with high levels of inflation and economic uncertainty continuing the City will continue to develop fiscally conservative budgets while still maintaining excellent service levels. Additionally, The City of Rifle is continuing to pursue infrastructure improvements, particularly in regard to city streets and water/wastewater.

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, 2022

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 24,230,946	\$ 22,130,940	\$ 46,361,886
Accounts Receivable	210,411	1,239,232	1,449,643
Property Taxes Receivable	716,359	-	716,359
Taxes Receivable	2,672,458	-	2,672,458
Inventory	11,144	265,131	276,275
Prepaid Expenses	-	1,496	1,496
Capital Assets, <i>Not Being Depreciated</i>	5,065,731	2,636,896	7,702,627
Capital Assets, <i>Net of Accumulated Depreciation</i>	53,635,149	77,253,258	130,888,407
	<u>86,542,198</u>	<u>103,526,953</u>	<u>190,069,151</u>
Total Assets			
Liabilities			
Accounts Payable	336,870	177,184	514,054
Accrued Salaries	15,700	66,177	81,877
Accrued Liabilities	-	83,999	83,999
Accrued Interest Payable	-	239,002	239,002
Deposits	365,638	10,840	376,478
Retainage Payable	71,186	-	71,186
Noncurrent Liabilities			
Due Within One Year	219,699	2,367,722	2,587,421
Due in More Than One Year	4,264,857	23,566,571	27,831,428
	<u>5,273,950</u>	<u>26,511,495</u>	<u>31,785,445</u>
Total Liabilities			
Deferred Inflows of Resources			
Property Taxes	3,157,487	-	3,157,487
Deferred Tap Fees	-	69,897	69,897
	<u>3,157,487</u>	<u>69,897</u>	<u>3,227,384</u>
Total Deferred Inflows of Resources			
Net Position			
Net Investment in Capital Assets	54,684,740	53,953,134	108,637,874
Restricted For:			
Emergencies	855,000	205,000	1,060,000
Debt Service	203,417	-	203,417
Parks and Recreation	472,734	-	472,734
Operations and Maintenance Reserve	-	1,490,197	1,490,197
Unrestricted	21,894,870	21,297,230	43,192,100
	<u>78,110,761</u>	<u>76,945,561</u>	<u>155,056,322</u>
Total Net Position			

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 4,838,419	\$ 1,122,715	\$ 1,353,422	\$ 168,408	\$ (2,193,874)	\$ -	\$ (2,193,874)
Public Safety	3,171,813	33,657	1,492,553	-	(1,645,603)	-	(1,645,603)
Public Works	5,625,934	-	525,023	-	(5,100,911)	-	(5,100,911)
Cemetery	5,165	41,398	-	-	36,233	-	36,233
Parks and Recreation	3,489,306	494,691	-	-	(2,994,615)	-	(2,994,615)
Economic Development	987,467	238,713	64,000	-	(684,754)	-	(684,754)
Interest on Long-Term Debt	136,376	-	-	-	(136,376)	-	(136,376)
Total Government Activities	<u>18,254,480</u>	<u>1,931,174</u>	<u>3,434,998</u>	<u>168,408</u>	<u>(12,719,900)</u>	<u>-</u>	<u>(12,719,900)</u>
<i>Business-Type Activities</i>							
Water Utility	4,205,173	3,753,931	-	-	-	(451,242)	(451,242)
Wastewater Utility	2,829,013	4,426,254	102,518	-	-	1,699,759	1,699,759
Sanitation Operations	787,680	811,584	-	-	-	23,904	23,904
Total Business-Type Activities	<u>7,821,866</u>	<u>8,991,769</u>	<u>102,518</u>	<u>-</u>	<u>-</u>	<u>1,272,421</u>	<u>1,272,421</u>
Total Primary Government	<u>\$ 26,076,346</u>	<u>\$ 10,922,943</u>	<u>\$ 3,537,516</u>	<u>\$ 168,408</u>	<u>(12,719,900)</u>	<u>1,272,421</u>	<u>(11,447,479)</u>
General Revenues							
Property Taxes					856,251	-	856,251
Specific Ownership Taxes					54,524	-	54,524
Sales and Use Taxes					12,252,686	2,475,498	14,728,184
Franchise Taxes					443,828	-	443,828
Other Taxes					205,612	-	205,612
Grants and Contributions not Restricted to Specific Programs					76,098	-	76,098
Investment Income					24,961	8,277	33,238
Gain (Loss) on Disposal of Capital Assets					209,479	-	209,479
Other					350,376	514,773	865,149
Transfers					<u>2,000</u>	<u>(2,000)</u>	<u>-</u>
Total General Revenues					<u>14,475,815</u>	<u>2,996,548</u>	<u>17,472,363</u>
Change in Net Position					1,755,915	4,268,969	6,024,884
Net Position, Beginning of year					<u>76,354,846</u>	<u>72,676,592</u>	<u>149,031,438</u>
Net Position, End of year					<u>\$ 78,110,761</u>	<u>\$ 76,945,561</u>	<u>\$ 155,056,322</u>

City of Rifle, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Assets						
Cash and Investments	\$ 11,471,006	\$ 5,123,574	\$ 2,983,446	\$ 2,818,701	\$ 1,834,219	\$ 24,230,946
Accounts Receivable	204,661	1,750	-	-	4,000	210,411
Taxes Receivable	2,633,801	-	-	-	38,656	2,672,457
Property Taxes Receivable	669,952	-	-	-	46,407	716,359
Due from Other Fund	68,629	-	-	-	-	68,629
Total Assets	15,048,049	5,125,324	2,983,446	2,818,701	1,923,282	27,898,802
Liabilities						
Accounts Payable	126,013	99,176	28,450	3,495	52,138	309,272
Retainage Payable	-	64,805	5,403	978	-	71,186
Deferred Revenue	2,441,128	-	-	-	-	2,441,128
Deposits	362,688	-	350	-	2,600	365,638
Total Liabilities	2,929,829	163,981	34,203	4,473	54,738	3,187,224
Deferred Inflows of Resources						
Property Taxes	669,952	-	-	-	46,407	716,359
Fund Balances						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	293,906	293,906
Restricted For:						
Emergencies	855,000	-	-	-	-	855,000
Debt Service	203,417	-	-	-	-	203,417
Parks and Recreation	233,788	-	-	-	238,946	472,734
Assigned For:						
Channel 10	36,293	-	-	-	-	36,293
Senior Center Capital and Meals	131,049	-	-	-	-	131,049
Police Expenditures	2,472	-	-	-	-	2,472
Economic Development	-	-	-	-	1,289,285	1,289,285
Street Improvement	-	4,961,343	-	-	-	4,961,343
Parks and Recreation	-	-	2,949,243	-	-	2,949,243
Capital Improvements	-	-	-	2,814,228	-	2,814,228
Unrestricted, Unassigned	9,986,249	-	-	-	-	9,986,249
Total Fund Balances	11,448,268	4,961,343	2,949,243	2,814,228	1,822,137	23,995,219
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,048,049	\$ 5,125,324	\$ 2,983,446	\$ 2,818,701	\$ 1,923,282	\$ 27,898,802

City of Rifle, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2022

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

Total Fund Balances of Governmental Funds	\$ 23,995,219
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	57,585,881
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	(3,884,999)
Accrued Compensated Absences	(599,557)
Internal Service Funds are blended into Governmental Activities	<u>1,014,217</u>
Total Net Position of Governmental Activities	<u>\$ 78,110,761</u>

City of Rifle, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 8,194,165	\$ 1,650,332	\$ 3,300,665	\$ -	\$ 667,740	\$ 13,812,902
Licenses and Permits	239,077	232,853	-	-	-	471,930
Intergovernmental	2,021,217	1,415,600	45,420	-	197,268	3,679,505
Charges for Services	1,077,551	2,865	422,945	-	250,918	1,754,279
Investment Income	12,454	3,641	1,740	2,260	4,623	24,718
Other	271,569	-	341	-	68,480	340,390
Total Revenues	<u>11,816,033</u>	<u>3,305,291</u>	<u>3,771,111</u>	<u>2,260</u>	<u>1,189,029</u>	<u>20,083,724</u>
Expenditures						
Current						
General Government	3,992,102	-	-	-	-	3,992,102
Public Safety	3,441,903	-	-	-	-	3,441,903
Public Works	2,033,137	101,310	-	-	-	2,134,447
Parks and Recreation	455,248	-	2,690,207	-	-	3,145,455
Economic Development	-	-	-	-	993,108	993,108
Capital Outlay	139,912	3,044,009	82,497	643,401	122,793	4,032,612
Debt Service						
Principal	-	-	159,990	-	-	159,990
Interest and Fiscal Charges	-	-	136,376	-	-	136,376
Total Expenditures	<u>10,062,302</u>	<u>3,145,319</u>	<u>3,069,070</u>	<u>643,401</u>	<u>1,115,901</u>	<u>18,035,993</u>
Revenues Over (Under) Expenditures	<u>1,753,731</u>	<u>159,972</u>	<u>702,041</u>	<u>(641,141)</u>	<u>73,128</u>	<u>2,047,731</u>
Other Financing Sources (Uses)						
Disposal of capital assets	287,987	-	-	-	-	287,987
Debt proceeds	-	-	-	-	-	-
Transfers In	25,000	300,000	10,600	-	47,000	382,600
Transfers Out	(179,000)	-	(300,000)	-	(75,600)	(554,600)
Total Other Financing Sources (Uses)	<u>133,987</u>	<u>300,000</u>	<u>(289,400)</u>	<u>-</u>	<u>(28,600)</u>	<u>115,987</u>
Net Change in Fund Balances	1,887,718	459,972	412,641	(641,141)	44,528	2,163,718
Fund Balances, Beginning of year	<u>9,560,550</u>	<u>4,501,371</u>	<u>2,536,602</u>	<u>3,455,369</u>	<u>1,777,609</u>	<u>21,831,501</u>
Fund Balances, End of year	<u>\$ 11,448,268</u>	<u>\$ 4,961,343</u>	<u>\$ 2,949,243</u>	<u>\$ 2,814,228</u>	<u>\$ 1,822,137</u>	<u>\$ 23,995,219</u>

City of Rifle, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2022

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

Net Change in Fund Balances of Governmental Funds	\$ 2,163,718
<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	3,026,907
Depreciation Expense	(3,523,166)
Disposal of Capital Assets	(148,622)
<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>	
Payment of Note Payable Principal	152,740
Change in Accrued Compensated Absences	51,554
<p>Internal Service Funds are blended into Governmental Activities:</p>	
Fleet Maintenance and Information Technology Funds, Change in Net Position	32,784
Change in Net Position of Governmental Activities	\$ 1,755,915

City of Rifle, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 15,542,270	\$ 6,442,909	\$ 145,761	\$ 22,130,940	\$ -
Accounts Receivable	403,761	740,853	94,618	1,239,232	-
Taxes Receivable	-	-	-	-	-
Prepaid Expenses	499	499	498	1,496	-
Inventory	218,927	46,203	-	265,130	11,144
Total Current Assets	<u>16,165,457</u>	<u>7,230,464</u>	<u>240,877</u>	<u>23,636,798</u>	<u>11,144</u>
<i>Noncurrent Assets</i>					
<i>Capital Assets</i>					
<i>Not Being Depreciated</i>	1,831,192	805,704	-	2,636,896	-
<i>Net of Accumulated Depreciation</i>	<u>53,793,134</u>	<u>23,460,125</u>	<u>-</u>	<u>77,253,259</u>	<u>1,114,999</u>
Total Noncurrent Assets	<u>55,624,326</u>	<u>24,265,829</u>	<u>-</u>	<u>79,890,155</u>	<u>1,114,999</u>
Total Assets	<u><u>71,789,783</u></u>	<u><u>31,496,293</u></u>	<u><u>240,877</u></u>	<u><u>103,526,953</u></u>	<u><u>1,126,143</u></u>
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	81,260	34,201	61,723	177,184	27,597
Accrued Liabilities	38,431	111,649	96	150,176	15,700
Accrued Interest Payable	136,805	102,197	-	239,002	-
Due to Other Funds	-	-	-	-	68,629
Deposits	10,840	-	-	10,840	-
Compensated Absences	8,144	-	-	8,144	-
Loan Payable - Current Portion	1,138,490	996,088	-	2,134,578	-
Certificates of Participation - Current Portion	225,000	-	-	225,000	-
Total Current Liabilities	<u>1,638,970</u>	<u>1,244,135</u>	<u>61,819</u>	<u>2,944,924</u>	<u>111,926</u>
<i>Noncurrent Liabilities</i>					
Compensated Absences	32,575	-	-	32,575	-
Notes Payable	14,341,753	5,837,243	-	20,178,996	-
Certificates of Participation	3,355,000	-	-	3,355,000	-
Total Noncurrent Liabilities	<u>17,729,328</u>	<u>5,837,243</u>	<u>-</u>	<u>23,566,571</u>	<u>-</u>
Total Liabilities	<u>19,368,298</u>	<u>7,081,378</u>	<u>61,819</u>	<u>26,511,495</u>	<u>111,926</u>
Deferred Inflows of Resources					
Deferred Tap Fees	<u>21,969</u>	<u>47,928</u>	<u>-</u>	<u>69,897</u>	<u>-</u>
Net Position					
Net Investment in Capital Assets	36,520,636	17,432,497	-	53,953,133	1,114,999
Restricted for:					
Emergencies	205,000	-	-	205,000	-
Operations and Maintenance Reserve	663,535	826,662	-	1,490,197	-
Unrestricted	<u>15,010,345</u>	<u>6,107,828</u>	<u>179,058</u>	<u>21,297,231</u>	<u>(100,782)</u>
Total Net Position	<u><u>\$ 52,399,516</u></u>	<u><u>\$ 24,366,987</u></u>	<u><u>\$ 179,058</u></u>	<u><u>\$ 76,945,561</u></u>	<u><u>\$ 1,014,217</u></u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total	Internal Service Funds
Operating Revenues					
Charges for Services	\$ 3,534,072	\$ 4,305,065	\$ 811,584	\$ 8,650,721	\$ 1,377,186
Sale of Materials	24,748	-	-	24,748	-
Operating Grants	-	102,518	-	102,518	-
Other	492,997	433	-	493,430	-
Total Operating Revenues	<u>4,051,817</u>	<u>4,408,016</u>	<u>811,584</u>	<u>9,271,417</u>	<u>1,377,186</u>
Operating Expenses					
Personal Services	915,904	634,528	14,920	1,565,352	445,176
Supplies	80,619	92,426	-	173,045	266,764
Purchased Services	917,645	643,375	741,787	2,302,807	558,957
Other Expenses	297	66	24	387	-
Management Fees	138,890	85,268	29,912	254,070	-
Fleet Maintenance	38,156	30,525	-	68,681	4,696
Information Technology Maintenance	86,739	45,270	1,037	133,046	8,639
Small Equipment Purchases	7,822	2,058	-	9,880	70,503
Depreciation	1,644,381	1,068,114	-	2,712,495	244,009
Total Operating Expenses	<u>3,830,453</u>	<u>2,601,630</u>	<u>787,680</u>	<u>7,219,763</u>	<u>1,598,744</u>
Operating Income (Loss)	<u>221,364</u>	<u>1,806,386</u>	<u>23,904</u>	<u>2,051,654</u>	<u>(221,558)</u>
Nonoperating Revenues (Expenses)					
Sales and Use Taxes	2,475,498	-	-	2,475,498	-
Investment Income	8,318	609	(650)	8,277	243
Other Revenues	21,343	-	-	21,343	9,986
Gain on Sale of Assets	-	-	-	-	70,113
Amortization of Bond Premiums	69,258	35,614	-	104,872	-
Interest and Fiscal Charges	(443,978)	(262,997)	-	(706,975)	-
Total Nonoperating Revenues (Expenses)	<u>2,130,439</u>	<u>(226,774)</u>	<u>(650)</u>	<u>1,903,015</u>	<u>80,342</u>
Income (Loss) Before Capital Contributions & Transfers	<u>2,351,803</u>	<u>1,579,612</u>	<u>23,254</u>	<u>3,954,669</u>	<u>(141,216)</u>
Capital Contributions					
System Improvement Fees	173,451	121,189	-	294,640	-
Cash in lieu of Water Rights	21,660	-	-	21,660	-
Total Capital Contributions	<u>195,111</u>	<u>121,189</u>	<u>-</u>	<u>316,300</u>	<u>-</u>
Transfers					
Transfers In	-	-	-	-	174,000
Transfers Out	-	-	(2,000)	(2,000)	-
Total Transfers	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>174,000</u>
Change in Net Position	<u>2,546,914</u>	<u>1,700,801</u>	<u>21,254</u>	<u>4,268,969</u>	<u>32,784</u>
Net Position, Beginning of year	<u>49,852,602</u>	<u>22,666,186</u>	<u>157,804</u>	<u>72,676,592</u>	<u>981,433</u>
Net Position, End of year	<u>\$ 52,399,516</u>	<u>\$ 24,366,987</u>	<u>\$ 179,058</u>	<u>\$ 76,945,561</u>	<u>\$ 1,014,217</u>

City of Rifle, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 3,477,084	\$ 4,219,957	\$ 794,086	\$ 8,491,127	\$ 1,377,186
Cash Received from Others	492,997	102,951	-	595,948	-
Cash Payments to Vendors and Suppliers	(2,132,291)	(1,667,790)	(782,460)	(4,582,541)	(1,374,948)
Cash Payments to Employees	(11,345)	79,906	(291)	68,270	1,380
Net Cash Provided (Used) by Operating Activities	<u>1,826,445</u>	<u>2,735,024</u>	<u>11,335</u>	<u>4,572,804</u>	<u>3,618</u>
Cash Flows From Noncapital Financing Activities					
Other Revenues	21,343	-	-	21,343	9,986
Payments from (to) Other Funds	-	-	(2,000)	(2,000)	174,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>21,343</u>	<u>-</u>	<u>(2,000)</u>	<u>19,343</u>	<u>183,986</u>
Cash Flows From Capital and Related Financing Activities					
Purchases of Capital Assets	(1,146,083)	(205,928)	-	(1,352,011)	(409,974)
Proceeds from Sale of Assets	-	-	-	-	70,113
Advance from General Fund	-	-	-	-	68,629
Proceeds From System Improvement Fees	173,451	121,189	-	294,640	-
Proceeds From Cash in Lieu of Fees	21,660	-	-	21,660	-
Proceeds From Sales and Use Taxes	2,692,024	-	-	2,692,024	-
Principal Payments on Debt	(1,326,140)	(969,852)	-	(2,295,992)	-
Interest Payments on Debt	(457,956)	(282,015)	-	(739,971)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(43,044)</u>	<u>(1,336,606)</u>	<u>-</u>	<u>(1,379,650)</u>	<u>(271,232)</u>
Cash Flows from Investing Activities					
Interest Received	8,318	609	(650)	8,277	243
Net Increase in Cash and Cash Equivalents	<u>1,813,062</u>	<u>1,399,027</u>	<u>8,685</u>	<u>3,220,774</u>	<u>(83,385)</u>
Cash and Cash Equivalents, Beginning of Year	<u>13,729,208</u>	<u>5,043,882</u>	<u>137,076</u>	<u>18,910,166</u>	<u>83,385</u>
Cash and Cash Equivalents, End of Year	<u>\$ 15,542,270</u>	<u>\$ 6,442,909</u>	<u>\$ 145,761</u>	<u>\$ 22,130,940</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 221,364	\$ 1,806,386	\$ 23,904	\$ 2,051,654	\$ (221,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,644,381	1,068,114	-	2,712,495	244,009
Changes in Asset and Liabilities					
Accounts Receivable	(81,736)	(85,108)	(17,498)	(184,342)	-
Inventory	(5,453)	(34,501)	-	(39,954)	-
Accounts Payable	59,234	(99,773)	5,220	(35,319)	(20,213)
Accrued Liabilities	(11,345)	79,906	(291)	68,270	1,380
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,826,445</u>	<u>\$ 2,735,024</u>	<u>\$ 11,335</u>	<u>\$ 4,572,804</u>	<u>\$ 3,618</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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 City Council 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 attached 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 July 14, 2023, the date the financial statements were available to be issued.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2022, follows:

Petty Cash	\$	2,485
Cash Deposits		5,666,170
Investments		40,693,231
 Total	 \$	 <u>46,361,886</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, 2022, the City had bank deposits of \$9,276,855 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, 2022, 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+	\$ 5,781,882	\$ 6,418,509	\$ 12,200,391
Certificates of Deposit	n/a	203,417	768,023	971,440
Money Market Funds	n/a	2,001,916	-	2,001,916
Local Government Investment Pools	AAAm	25,519,484	-	25,519,484
 Total		\$ 33,506,699	\$ 7,186,532	\$ 40,693,231

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 2: Cash and Investments (Continued)

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, 2022, 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, 2022, the City's investments in the following represented more than 5% of the City's total investments.

	Rating	Total
U.S. Treasury Securities		
Federal Home Loan Bank Bond	AA+	4.4%
Federal Home Loan Mortgage Corp Note	AA+	6.6%
Federal National Mortgage Association Note	AA+	5.4%
Local Government Investment Pools		
ColoTrust Prime	AAAm	24.6%
CSAFE	AAAm	36.3%

Local Government Investment Pools - At December 31, 2022, the City had \$11,752,337 and \$13,767,147 invested in the Colorado Local Government Liquid Asset Trust (Colostrust) 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, 2022

Note 3: Capital Assets

Capital asset Governmental activity for the year ended December 31, 2022, is summarized below:

Governmental Activities	Balance 12/31/21	Additions	Transfer	Deletions	Balance 12/31/22
Capital Assets, Not Being Depreciated:					
Land	\$ 4,378,899	\$ -	\$ -	\$ (13,076)	\$ 4,365,823
Construction in Progress	<u>1,107,558</u>	<u>699,908</u>	<u>(1,107,558)</u>	<u>-</u>	<u>699,908</u>
Total Capital Assets, Not Being Depreciated	<u>5,486,457</u>	<u>699,908</u>	<u>(1,107,558)</u>	<u>(13,076)</u>	<u>5,065,731</u>
Capital Assets, Being Depreciated:					
Buildings	16,344,721	-	1,107,558	(50,565)	17,401,714
Improvements	88,231,992	2,148,463	-	-	90,380,455
Equipment	4,313,410	178,536	-	(342,231)	4,149,715
Internal Service - Equipment	3,190,269	421,462	-	(321,543)	3,290,188
Total Capital Assets, Being Depreciated	<u>112,080,392</u>	<u>2,748,461</u>	<u>1,107,558</u>	<u>(714,339)</u>	<u>115,222,072</u>
Less Accumulated Depreciation:					
Buildings	(7,864,202)	(454,378)	-	50,565	(8,268,015)
Improvements	(44,760,914)	(2,904,742)	-	-	(47,665,656)
Equipment	(3,520,702)	(164,046)	-	206,685	(3,478,063)
Internal Service - Equipment	(2,255,594)	(241,138)	-	321,543	(2,175,189)
Total Accumulated Depreciation	<u>(58,401,412)</u>	<u>(3,764,304)</u>	<u>-</u>	<u>578,793</u>	<u>(61,586,923)</u>
Total Capital Assets, Being Depreciated, net	<u>53,678,980</u>	<u>(1,015,843)</u>	<u>1,107,558</u>	<u>(135,546)</u>	<u>53,635,149</u>
Governmental Activities Capital Assets, net	<u>\$ 59,165,437</u>	<u>\$ (315,935)</u>	<u>-</u>	<u>\$ (148,622)</u>	<u>\$ 58,700,880</u>

Capital asset Business-Type activity for the year ended December 31, 2022, is summarized below:

Business-Type Activities	Balance 12/31/21	Additions	Transfers	Deletions	Balance 12/31/22
Capital Assets, Not Being Depreciated:					
Land and improvements	\$ 1,985,544	\$ -	\$ -	\$ -	\$ 1,985,544
Water Rights	<u>651,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,352</u>
Total Capital Assets, Not Being Depreciated	<u>2,636,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,636,896</u>
Capital Assets, Being Depreciated:					
Buildings	73,822,846	-	-	-	73,822,846
Improvements	42,268,548	1,084,732	-	-	43,353,280
Equipment	2,831,505	267,278	-	-	3,098,783
Total Capital Assets, Being Depreciated	<u>118,922,899</u>	<u>1,352,010</u>	<u>-</u>	<u>-</u>	<u>120,274,909</u>
Less Accumulated Depreciation:					
Buildings	(24,594,099)	(1,868,632)	-	-	(26,462,731)
Improvements	(13,876,277)	(768,355)	-	-	(14,644,632)
Equipment	(1,838,780)	(75,508)	-	-	(1,914,288)
Total Accumulated Depreciation	<u>(40,309,156)</u>	<u>(2,712,495)</u>	<u>-</u>	<u>-</u>	<u>(43,021,651)</u>
Total Capital Assets, Being Depreciated	<u>78,613,743</u>	<u>(1,360,485)</u>	<u>-</u>	<u>-</u>	<u>77,253,258</u>
Business-Type Activities Capital Assets, net	<u>\$ 81,250,639</u>	<u>\$ (1,360,485)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,890,154</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 3: Capital Assets (Continued)

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

	Total
Governmental Activities	
General Government	\$ 219,608
Public Safety	77,063
Public Works	2,316,841
Cemetery	5,165
Parks and Recreation	831,874
Economic Development	72,615
	3,523,166
Internal Service - Equipment	241,138
Total	\$ 3,764,304

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, 2022:

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

	Balance 12/31/21	Additions	Payments	Balance 12/31/22	Due Within One Year
Construction Loan	\$ 4,037,739	\$ -	\$ (152,740)	\$ 3,884,999	\$ 159,744
Compensated Absences	651,109	13,558	(65,110)	599,557	59,955
Total	\$ 4,688,848	\$ 13,558	\$ (217,850)	\$ 4,484,556	\$ 219,699

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, 2022

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>
2023	\$ 159,744	\$ 129,372	\$ 289,116
2024	165,509	123,607	289,116
2025	171,442	117,674	289,116
2026	177,226	111,890	289,116
2027	183,205	105,911	289,116
2028 - 2032	1,012,489	433,091	1,445,580
2033 - 2037	1,195,610	249,970	1,445,580
2038 - 2040	819,774	48,716	868,490
Total	<u>\$ 3,884,999</u>	<u>\$ 1,320,231</u>	<u>\$ 5,205,230</u>

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2022:

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due Within</u> <u>One Year</u>
2007 CWRPDA Loan - Wastewater	\$ 7,604,340	\$ -	\$ (969,852)	\$ 6,634,488	\$ 996,088
Premium	234,457	-	(35,614)	198,843	-
2012 CWRPDA Loan - Water	14,608,736	-	(1,009,596)	13,599,140	1,040,006
2012 CWRPDA Loan - Water (Fed)	1,175,411	-	(96,544)	1,078,867	98,484
Premium	871,494	-	(69,258)	802,236	-
2015 Certificate of Participation - Water	3,800,000	-	(220,000)	3,580,000	225,000
Compensated Absences	46,040	3,887	(9,208)	40,719	8,144
Total	<u>\$ 28,340,478</u>	<u>\$ 3,887</u>	<u>\$ (2,410,072)</u>	<u>\$ 25,934,293</u>	<u>\$ 2,367,722</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 \$386,484. 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, 2022

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>
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	1,096,032	156,287	1,252,319
2027	1,185,564	65,421	1,250,985
2028	<u>1,264,684</u>	<u>-</u>	<u>1,264,684</u>
Total	<u>\$ 6,634,488</u>	<u>\$ 881,359</u>	<u>\$ 7,515,847</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 \$608,678. 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>
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	1,076,497	245,840	1,322,337
2027	1,088,661	234,237	1,322,898
2028 - 2032	5,729,154	891,981	6,621,135
2033 - 2034	<u>2,548,319</u>	<u>105,901</u>	<u>2,654,220</u>
Total	<u>\$ 13,599,140</u>	<u>\$ 2,290,881</u>	<u>\$ 15,890,021</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, 2022

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>
2023	\$ 98,484	\$ 21,087	\$ 119,571
2024	100,464	19,108	119,572
2025	102,483	17,089	119,572
2026	104,543	15,029	119,572
2027	106,644	12,927	119,571
2028 - 2032	<u>566,249</u>	<u>31,609</u>	<u>597,858</u>
Total	<u>\$ 1,078,867</u>	<u>\$ 116,849</u>	<u>\$ 1,195,716</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>
2023	\$ 225,000	\$ 113,610	\$ 338,610
2024	235,000	106,762	341,762
2025	240,000	99,012	339,012
2026	250,000	91,396	341,396
2027	255,000	83,472	338,472
2028 - 2032	1,410,000	290,370	1,700,370
2033 - 2035	<u>965,000</u>	<u>54,931</u>	<u>1,019,931</u>
Total	<u>\$ 3,580,000</u>	<u>\$ 839,553</u>	<u>\$ 4,419,553</u>

Note 5: Interfund Transactions

The City has recorded the following routine transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 25,000	\$ (179,000)
Street Improvement	300,000	-
Parks and Recreation	10,600	(300,000)
Internal Service	174,000	-
Capital Improvements	-	-
Non-major Governmental Funds	47,000	(75,600)
Sanitation Fund	<u>-</u>	<u>(2,000)</u>
Total	<u>\$ 556,600</u>	<u>\$ (556,600)</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

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, 2022, the City contributed \$185,084 and the employees contributed \$118,454 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, 2022, the City contributed \$303,620 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 3% 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, 2022

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.

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, 2022

Note 9: Rate Maintenance (Continued)

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

	Water Fund	Wastewater Fund
Revenues		
Operating Revenues	\$ 4,051,817	\$ 4,408,016
Sales & Use Taxes	2,475,498	-
System Improvement Fees	173,451	121,189
Investment Income	8,318	609
Cash in Lieu of Water Rights Fees	21,660	-
Other Revenues	21,343	-
	<u>6,752,087</u>	<u>4,529,814</u>
Expenses		
Operating Expenses	3,830,453	2,601,630
Less Depreciation	<u>(1,644,381)</u>	<u>(1,068,114)</u>
Net Expenses	<u>2,186,072</u>	<u>1,533,516</u>
Net Revenues	<u>\$ 4,566,015</u>	<u>\$ 2,996,298</u>
Debt Service Requirements (Parity and Subordinate)		
2007 CWRPDA Note Payable	\$ -	\$ 1,244,345
2012 CWRPDA - Interest Bearing	1,324,267	-
2012 CWRPDA - Federal	119,571	-
2015 Certificates of Participation	<u>338,610</u>	<u>-</u>
Debt Service Required	<u>1,782,448</u>	<u>1,244,345</u>
Required Coverage		
(Water at 100%, without System Improvement Fees)	<u>110%</u>	<u>110%</u>
Debt Service Coverage at 110%	<u>\$ 1,960,693</u>	<u>\$ 1,368,780</u>
Net Revenue Excess	<u>\$ 2,605,322</u>	<u>\$ 1,627,519</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2022

Note 10: West Rifle Compost Facility Closure and Post-Closure Requirements

The City of Rifle is responsible for the West Rifle Composting Facility (Caca Loco) which is no longer operable. State and Federal laws and regulations require the City to take proper remediation steps and to perform certain maintenance and monitoring functions at the site. Closure and Post Closure costs of \$83,999 have been recognized as operating expense and a corresponding liability will continue to be carried on the balance sheet. This amount is based on what it would cost to perform all closure and post closure care in 2022 and each year thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City is required by State and Federal laws and regulations to demonstrate financial assurance. The City is in compliance with these requirements through the local government financial test.

Estimated total current cost of closure and post closure care applicable to the West Rifle Composting Facility for 2022, reflected in the accompanying financial statements in accrued liabilities, are as follows:

Closure Costs	\$ 59,191
Post Closure Costs - 5 years	<u>24,808</u>
Estimated Cost in 2022 Dollars for Closure and Post Closure Costs	<u>\$ 83,999</u>

Required Supplementary Information

City of Rifle, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 7,661,440	\$ 7,661,440	\$ 8,194,165	\$ 532,725
Licenses and Permits	268,714	268,714	239,077	(29,637)
Intergovernmental	1,220,105	1,311,105	2,021,217	710,112
Charges for Services	974,526	974,526	1,077,551	103,025
Interest Income	64,845	64,845	12,454	(52,391)
Gain on Sale of Assets	-	-	287,987	287,987
Miscellaneous	88,000	88,000	271,569	183,569
Total Revenue	<u>10,277,630</u>	<u>10,368,630</u>	<u>12,104,020</u>	<u>1,735,390</u>
Expenditures				
General Government	3,939,394	3,939,394	3,992,102	(52,708)
Public Safety	3,725,468	3,725,468	3,441,903	283,565
Public Works	2,184,750	2,184,750	2,033,137	151,613
Parks and Recreation	505,648	505,648	455,248	50,400
Capital Outlay	86,065	361,065	139,912	221,153
Total Expenditures	<u>10,441,325</u>	<u>10,716,325</u>	<u>10,062,302</u>	<u>654,023</u>
Excess Revenues Over (Under) Expenditures	(163,695)	(347,695)	2,041,718	2,389,413
Other Financing Sources (Uses)				
Transfers In	-	-	25,000	25,000
Transfers Out	(179,000)	(179,000)	(179,000)	-
Total Other Financing Sources (Uses)	<u>(179,000)</u>	<u>(179,000)</u>	<u>(154,000)</u>	<u>25,000</u>
Change in Fund Balance	(342,695)	(526,695)	1,887,718	2,414,413
Fund Balance, Beginning of Year	<u>9,043,381</u>	<u>9,043,381</u>	<u>9,560,550</u>	<u>517,169</u>
Fund Balance, End of Year	<u>\$ 8,700,686</u>	<u>\$ 8,516,686</u>	<u>\$ 11,448,268</u>	<u>\$ 2,931,582</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 1,518,996	\$ 1,518,996	\$ 1,650,332	\$ 131,336
Licenses and Permits	53,000	53,000	235,718	182,718
Intergovernmental	1,985,000	1,985,000	1,415,600	(569,400)
Investment Income	75,000	75,000	3,641	(71,359)
	<u>3,631,996</u>	<u>3,631,996</u>	<u>3,305,291</u>	<u>(326,705)</u>
Total Revenues				
Expenditures				
Public Works	435,272	435,272	101,310	333,962
Capital Outlay	3,785,000	4,035,000	3,044,009	990,991
	<u>4,220,272</u>	<u>4,470,272</u>	<u>3,145,319</u>	<u>1,324,953</u>
Total Expenditures				
Excess Revenues Over (Under) Expenditures	(588,276)	(838,276)	159,972	998,248
Other Financing Sources (Uses)				
Transfers In	-	300,000	300,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance	(588,276)	(538,276)	459,972	998,248
Fund Balance, Beginning of year	<u>3,906,552</u>	<u>3,906,552</u>	<u>4,501,371</u>	<u>594,819</u>
Fund Balance, End of year	<u>\$ 3,318,276</u>	<u>\$ 3,368,276</u>	<u>\$ 4,961,343</u>	<u>\$ 1,593,067</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Parks and Recreation Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 3,129,949	\$ 3,129,949	\$ 3,300,665	\$ 170,716
Intergovernmental	63,600	61,100	45,420	(15,680)
Charges for Services	392,350	392,350	422,945	30,595
Interest Income	9,000	9,000	1,740	(7,260)
Other	40,000	-	341	341
Total Revenues	<u>3,634,899</u>	<u>3,592,399</u>	<u>3,771,111</u>	<u>178,712</u>
Expenditures				
Parks and Recreation	2,899,363	2,899,363	2,690,207	209,156
Capital Outlay	278,000	433,229	82,497	350,732
Debt Service - Principal	162,479	162,479	159,990	2,489
Debt Service - Interest	133,887	133,887	136,376	(2,489)
Total Expenditures	<u>3,473,729</u>	<u>3,628,958</u>	<u>3,069,070</u>	<u>559,888</u>
Excess Revenues Over (Under) Expenditures	161,170	(36,559)	702,041	738,600
Other Financing Sources (Uses)				
Transfers In	10,600	10,600	10,600	-
Transfers Out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>10,600</u>	<u>(289,400)</u>	<u>(289,400)</u>	<u>-</u>
Net Change in Fund Balance	171,770	(325,959)	412,641	738,600
Fund Balance, Beginning of year	<u>2,484,447</u>	<u>2,484,447</u>	<u>2,536,602</u>	<u>52,155</u>
Fund Balance, End of year	<u>\$ 2,656,217</u>	<u>\$ 2,158,488</u>	<u>\$ 2,949,243</u>	<u>\$ 790,755</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Investment Income	\$ 32,400	\$ 2,260	\$ (30,140)
Total Revenues	32,400	2,260	(30,140)
Expenditures			
Capital Outlay	1,000,000	643,401	356,599
Total Expenditures	1,000,000	643,401	356,599
Net Change in Fund Balance	(967,600)	(641,141)	326,459
Fund Balance, Beginning of year	3,152,751	3,455,369	302,618
Fund Balance, End of year	\$ 2,185,151	\$ 2,814,228	\$ 629,077

City of Rifle, Colorado
Notes to Required Supplementary Information
December 31, 2022

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, 2022

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Assets							
Cash and Investments	\$ 238,946	\$ 378,416	\$ 71,286	\$ 714,432	\$ 137,233	\$ 293,906	\$ 1,834,219
Accounts Receivable	-	4,000	-	-	-	-	4,000
Taxes Receivable	-	-	38,656	-	-	-	38,656
Property Taxes Receivable	-	-	46,407	-	-	-	46,407
Total Assets	\$ 238,946	\$ 382,416	\$ 156,349	\$ 714,432	\$ 137,233	\$ 293,906	\$ 1,923,282
Liabilities							
Accounts Payable	-	-	1,522	48,641	1,975	-	52,138
Deposit	-	-	-	2,600	-	-	2,600
Total Liabilities	-	-	1,522	51,241	1,975	-	54,738
Deferred Inflows of Resources							
Property Taxes	-	-	46,407	-	-	-	46,407
Fund Balances							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	293,906	293,906
Restricted For:							
Parks and Recreation	238,946	-	-	-	-	-	238,946
Assigned For:							
Economic Development	-	382,416	108,420	663,191	135,258	-	1,289,285
Unrestricted, Unassigned	-	-	-	-	-	-	-
Total Fund Balances	238,946	382,416	108,420	663,191	135,258	293,906	1,822,137
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 238,946	\$ 382,416	\$ 156,349	\$ 714,432	\$ 137,233	\$ 293,906	\$ 1,923,282

City of Rifle, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Revenues							
Taxes	\$ -	\$ 205,612	\$ 45,157	\$ 273,773	\$ 143,198	\$ -	\$ 667,740
Intergovernmental	133,268	4,000	-	60,000	-	-	197,268
Charges for Services	-	-	-	238,713	-	12,205	250,918
Investment Income	173	280	59	545	81	3,485	4,623
Other	-	65,000	-	3,480	-	-	68,480
Total Revenues	<u>133,441</u>	<u>274,892</u>	<u>45,216</u>	<u>576,511</u>	<u>143,279</u>	<u>15,690</u>	<u>1,189,029</u>
Expenditures							
Economic Development	-	173,586	40,575	760,627	18,320	-	993,108
Capital Outlay	39,253	45,000	768	37,772	-	-	122,793
Total Expenditures	<u>39,253</u>	<u>218,586</u>	<u>41,343</u>	<u>798,399</u>	<u>18,320</u>	<u>-</u>	<u>1,115,901</u>
Excess of Revenues Over (Under) Expenditures	94,188	56,306	3,873	(221,888)	124,959	15,690	73,128
Other Financing Sources (Uses)							
Transfers In	-	40,000	7,000	-	-	-	47,000
Transfers Out	(40,000)	(35,600)	-	-	-	-	(75,600)
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>4,400</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,600)</u>
Net Change in Fund Balances	54,188	60,706	10,873	(221,888)	124,959	15,690	44,528
Fund Balances, Beginning of year	<u>184,758</u>	<u>321,710</u>	<u>97,547</u>	<u>885,079</u>	<u>10,299</u>	<u>278,216</u>	<u>1,777,609</u>
Fund Balances, End of year	<u>\$ 238,946</u>	<u>\$ 382,416</u>	<u>\$ 108,420</u>	<u>\$ 663,191</u>	<u>\$ 135,258</u>	<u>\$ 293,906</u>	<u>\$ 1,822,137</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 90,000	\$ 133,268	\$ 43,268
Investment Income	2,700	173	(2,527)
	<u>92,700</u>	<u>133,441</u>	<u>40,741</u>
Total Revenues			
Expenditures			
Capital Outlays	80,000	39,253	40,747
	<u>80,000</u>	<u>39,253</u>	<u>40,747</u>
Excess Revenues Over (Under) Expenditures	12,700	94,188	81,488
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	(80,000)	(40,000)	40,000
	<u>(80,000)</u>	<u>(40,000)</u>	<u>40,000</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balance	(67,300)	54,188	121,488
Fund Balance, Beginning of year	170,671	184,758	14,087
	<u>170,671</u>	<u>184,758</u>	<u>14,087</u>
Fund Balance, End of year	<u>\$ 103,371</u>	<u>\$ 238,946</u>	<u>\$ 135,575</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Visitor Improvement Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 154,879	\$ 205,612	\$ 50,733
Intergovernmental	14,000	69,000	55,000
Investment Income	1,104	280	(824)
Total Revenues	169,983	274,892	104,909
Expenditures			
Economic Development	155,877	173,586	(17,709)
Capital Outlays	60,000	45,000	15,000
Total Expenditures	215,877	218,586	(2,709)
Excess Revenues Over (Under) Expenditures	(45,894)	56,306	102,200
Other Financing Sources (Uses)			
Transfers In	40,000	40,000	-
Transfers Out	(25,000)	(35,600)	(10,600)
Total Other Financing Sources (Uses)	15,000	4,400	(10,600)
Net Change in Fund Balance	(30,894)	60,706	91,600
Fund Balance, Beginning of year	147,445	321,710	174,265
Fund Balance, End of year	\$ 116,551	\$ 382,416	\$ 265,865

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Downtown Development Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 44,500	\$ 45,157	\$ 657
Investment Income	661	59	(602)
Total Revenues	45,161	45,216	55
Expenditures			
Economic Development	47,112	40,575	6,537
Capital Outlay	3,500	768	2,732
Total Expenditures	50,612	41,343	9,269
Excess of Revenues Over (Under) Expenditures	(5,451)	3,873	9,324
Other Financing Sources (Uses)			
Transfers In	7,000	7,000	-
Total Other Financing Sources (Uses)	7,000	7,000	-
Net Change in Fund Balance	1,549	10,873	9,324
Fund Balance, <i>Beginning of year</i>	88,911	97,547	8,636
Fund Balance, <i>End of year</i>	\$ 90,460	\$ 108,420	\$ 17,960

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Tourism and Industry Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 250,374	\$ 250,374	\$ 273,773	\$ 23,399
Intergovernmental	60,000	60,000	60,000	-
Charges for Services	183,000	233,000	238,713	5,713
Investment Income	4,629	4,629	545	(4,084)
Other	-	-	3,480	3,480
Total Revenues	<u>498,003</u>	<u>548,003</u>	<u>576,511</u>	<u>28,508</u>
Expenditures				
Economic Development	582,930	770,007	760,627	9,380
Capital Outlay	28,000	42,981	37,772	5,209
Total Expenditures	<u>610,930</u>	<u>812,988</u>	<u>798,399</u>	<u>14,589</u>
Net Change in Fund Balance	(112,927)	(264,985)	(221,888)	43,097
Fund Balance, Beginning of year	<u>725,567</u>	<u>725,567</u>	<u>885,079</u>	<u>159,512</u>
Fund Balance, End of year	<u>\$ 612,640</u>	<u>\$ 460,582</u>	<u>\$ 663,191</u>	<u>\$ 202,609</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Urban Renewal Authority Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 100,000	\$ 143,198	\$ 43,198
Investment Income	180	81	(99)
Total Revenues	<u>100,180</u>	<u>143,279</u>	<u>43,099</u>
Expenditures			
Water Utility	<u>35,000</u>	<u>18,320</u>	<u>16,680</u>
Total Expenditures	<u>35,000</u>	<u>18,320</u>	<u>16,680</u>
Net Change in Fund Balance	65,180	124,959	59,779
Fund Balance, Beginning of year	<u>9,715</u>	<u>10,299</u>	<u>584</u>
Fund Balance, End of year	<u>\$ 74,895</u>	<u>\$ 135,258</u>	<u>\$ 60,363</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Perpetual Care Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 10,000	\$ 12,205	\$ 2,205
Investment Income	1,500	3,485	1,985
Total Revenues	<u>11,500</u>	<u>15,690</u>	<u>4,190</u>
Expenditures			
Capital Outlay	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>-</u>	<u>500</u>
Net Change in Fund Balance	11,000	15,690	4,690
Fund Balance, Beginning of year	<u>280,350</u>	<u>278,216</u>	<u>(2,134)</u>
Fund Balance, End of year	<u>\$ 291,350</u>	<u>\$ 293,906</u>	<u>\$ 2,556</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 3,662,500	\$ 3,534,072	\$ (128,428)
Sale of Meters	10,000	24,748	14,748
Other - Operating	502,500	492,997	(9,503)
Sales and Use Taxes	2,266,737	2,475,498	208,761
Investment Income	124,374	8,318	(116,056)
Other - Nonoperating	10,000	21,343	11,343
System Improvement Fees	150,000	173,451	23,451
Cash in Lieu of Fees	-	21,660	21,660
Total Revenues	6,726,111	6,752,087	25,976
Expenditures			
Personal Services	922,927	915,904	7,023
Supplies	115,000	80,619	34,381
Purchased Services	1,071,500	917,645	153,855
Other Expenses	-	297	(297)
Management Fees	138,890	138,890	-
Fleet Maintenance	38,156	38,156	-
Information Technology Maintenance	86,739	86,739	-
Small Equipment Purchases	-	46	(46)
Capital Outlays	275,000	1,153,859	(878,859)
Interest Expense	427,575	374,720	52,855
Debt Principal Payments	1,291,078	1,326,140	(35,062)
Total Expenditures	4,366,865	5,033,015	(666,150)
Change in Net Position - Budgetary Basis	\$ 2,359,246	1,719,072	\$ (640,174)
Adjustments to GAAP Basis			
Capital Outlay		1,146,083	
Debt Principal Payments		1,326,140	
Depreciation		(1,644,381)	
Change in Net Position		2,546,914	
Fund Balance, Beginning of year		49,852,602	
Fund Balance, End of year		\$ 52,399,516	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Wastewater Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 3,882,879	\$ 4,305,065	\$ 422,186
Intergovernmental	-	102,518	102,518
Investment Income	16,758	609	(16,149)
Other - Nonoperating	35,614	433	(35,181)
System Improvement Fees	140,250	121,189	(19,061)
Total Revenues	4,075,501	4,529,814	454,313
Expenditures			
Personal Services	630,373	634,528	(4,155)
Supplies	214,500	92,426	122,074
Purchased Services	662,500	643,375	19,125
Other Expense	-	66	(66)
Management Fees	85,268	85,268	-
Fleet Maintenance	30,525	30,525	-
Information Technology Maintenance	45,270	45,270	-
Small Equipment Purchase	-	2,058	(2,058)
Capital Outlays	161,063	205,928	(44,865)
Interest Expense	282,017	227,383	54,634
Debt Principal Payments	969,852	969,852	-
Total Expenditures	3,081,368	2,936,679	144,689
Change in Net Position - Budgetary Basis	\$ 994,133	1,593,135	\$ 599,002
Adjustments to GAAP Basis			
Capital Outlay		205,928	
Debt Principal Payments		969,852	
Depreciation		(1,068,114)	
Change in Net Position		1,700,801	
Fund Balance, Beginning of year		22,666,186	
Fund Balance, End of year		\$ 24,366,987	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Sanitation Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 796,500	\$ 811,584	\$ 15,084
Other - Operating	-	-	-
Investment Income	1,050	(650)	(1,700)
Total Revenues	797,550	810,934	13,384
Expenditures			
Personal Services	14,873	14,920	(47)
Purchased Services	744,000	741,787	2,213
Other Expenses	-	24	(24)
Management Fees	29,912	29,912	-
Information Technology Maintenance	1,037	1,037	-
Total Expenditures	789,822	787,680	2,142
Revenues Over (Under) Expenditures	7,728	23,254	15,526
Transfers			
Transfers Out	(2,000)	(2,000)	-
Change in Net Position - Budgetary Basis	\$ 5,728	21,254	\$ 15,526
Adjustments to GAAP Basis			
None		-	
Change in Net Position		21,254	
Fund Balance, Beginning of year		157,804	
Fund Balance, End of year		\$ 179,058	

State Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
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This Information From The Records Of: City of Rifle	Prepared By: Scott Rust, Finance Director
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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. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 3,100,340.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,842,771.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 203,810.00
2. General fund appropriations	\$ 2,616,343.00	b. Snow and ice removal	\$ 39,921.00
3. Other local imposts (from page 2)	\$ 2,299,409.00	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 519,191.00	d. Total (a. through c.)	\$ 243,731.00
5. Transfers from toll facilities	\$ -	4. General administration & miscellaneous	\$ 265,551.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 1,307,106.00
a. Bonds - Original Issues	\$ -	6. Total (1 through 5)	\$ 6,759,499.00
b. Bonds - Refunding Issues	\$ -	B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 5,434,943.00	b. Redemption	\$ -
Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 1,371,373.00	a. Interest	\$ -
D. Receipts from Federal Government		b. Redemption	\$ -
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 6,806,316.00	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	\$ -
		D. Payments to toll facilities	\$ -
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 6,759,499.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ (3,405,321.00)	\$ 6,806,316.00	\$ 6,759,499.00	\$ (3,358,504.00)	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy):
 12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	\$ 3,641.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 99,950.00
1. Sales Taxes	\$ 1,650,332.00	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ 235,718.00	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 413,359.00	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 2,299,409.00	h. Other	\$ 415,600.00
c. Total (a. + b.)	\$ 2,299,409.00	i. Total (a. through h.)	\$ 519,191.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 326,104.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match	\$ -	c. HUD	\$ -
c. Motor Vehicle Registrations	\$ 45,269.00	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ 1,000,000.00	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal	\$ -
f. Total (a. through e.)	\$ 1,045,269.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 1,371,373.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 42,437.00	\$ 42,437.00
c. Construction:			
(1). New Facilities		\$ -	\$ -
(2). Capacity Improvements		\$ -	\$ -
(3). System Preservation		\$ 2,733,339.00	\$ 2,733,339.00
(4). System Enhancement And Operation		\$ 324,564.00	\$ 324,564.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 3,057,903.00	\$ 3,057,903.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 3,100,340.00	\$ 3,100,340.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: