

City of Rifle, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2023



City of Rifle, Colorado

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City of Rifle, Colorado

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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, 2023, 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, 2023, 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 11, 2024



City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2023

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, 2023.

Financial Highlights

- The assets of the City of Rifle exceeded its liabilities at the close of 2023 by \$162,403,073 (net position). Of this amount, \$110,715,182 was categorized as net investment in capital assets, \$323,469 was non-spendable, \$3,385,343 was restricted, \$169,816 was assigned and \$47,809,263 was unrestricted and can be used to meet the government's ongoing obligations.
- Total net position across the entire entity increased by \$7,346,751 or 4.74%.
- The General fund unassigned fund balance on December 31, 2023 was \$12,018,538; this equates to 104.60% of 2023 total general fund expenditures.
- The business-type activities net position increased \$5,098,675 to \$82,044,236 during the year. The Water Fund increased \$3,085,888; the Sewer Fund increased \$1,956,624; and the Sanitation Fund increased \$56,163.

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 page 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 page 13.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2023

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 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 34-35.

- 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, 2023

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 36-44.

- 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 2023 by \$162,403,073.

The largest portion of the City's net position (68.17%) 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, 2023

Net Position

The following table shows the City's net position for 2023 as compared to 2022.

STATEMENT OF NET POSITION
December 31, 2023 and 2022

	Governmental Activities		Business Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 30,947,582	\$ 27,841,318	\$ 27,151,834	\$ 23,636,799	\$ 58,099,416	\$ 51,478,117
Capital assets (net)	58,922,555	58,700,880	79,221,524	79,890,154	138,144,079	138,591,034
Total assets	<u>89,870,137</u>	<u>86,542,198</u>	<u>106,373,358</u>	<u>103,526,953</u>	<u>196,243,495</u>	<u>190,069,151</u>
Other liabilities	2,107,770	1,009,093	3,227,430	2,944,924	5,335,200	3,954,017
Long-term liabilities	4,138,939	4,264,857	21,031,795	23,566,571	25,170,734	27,831,428
Total liabilities	<u>6,246,709</u>	<u>5,273,950</u>	<u>24,259,225</u>	<u>26,511,495</u>	<u>30,505,934</u>	<u>31,785,445</u>
Deferred Inflows:						
Property Taxes/Tap Fees	<u>3,264,591</u>	<u>3,157,487</u>	<u>69,897</u>	<u>69,897</u>	<u>3,334,488</u>	<u>3,227,384</u>
Net position:						
Invested in capital assets net of related debt	55,073,802	54,684,740	55,641,380	53,953,134	110,715,182	108,637,874
Nonspendable						
Cemetery Perpetual Care	323,469	293,906	-	-	323,469	293,906
Restricted For:						
for Emergencies	1,021,537	855,000	205,000	205,000	1,226,537	1,060,000
for Parks and Recreation	487,911	472,734	-	-	487,911	472,734
for Debt Service and O&M Reserves	180,698	203,417	1,490,197	1,490,197	1,670,895	1,693,614
Assigned for:						
for Channel10	36,293	36,293	-	-	36,293	36,293
for Senior Center Meals and Capital	131,051	131,049	-	-	131,051	131,049
for Police Expenditures	2,472	2,472	-	-	2,472	2,472
Unrestricted	<u>23,101,604</u>	<u>21,431,150</u>	<u>24,707,659</u>	<u>21,297,230</u>	<u>47,809,263</u>	<u>42,728,380</u>
Total Net Position	<u>\$ 80,358,837</u>	<u>\$ 78,110,761</u>	<u>\$ 82,044,236</u>	<u>\$ 76,945,561</u>	<u>\$ 162,403,073</u>	<u>\$ 155,056,322</u>

An additional portion of the City's net position balance (2.39%) represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted* balance of (29.44%) 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, 2023, non-spendable and restricted net position in the governmental activities included the following: Cemetery Perpetual Care (\$323,469), Debt Service (\$180,698), TABOR Emergencies (\$1,021,537), and Parks and Recreation (\$487,911). The Business-Type Activities includes restricted net position of the following: Debt Service and O&M reserves (\$1,490,197), and TABOR Emergencies (\$205,000). The remaining balance of net position (unrestricted net position) totals \$47,809,263. 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, 2023

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					
	For Years Ended December 31, 2023 and 2022					
	Governmental Activities		Business Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
REVENUES						
Program Revenues:						
Charges for services	\$ 1,873,763	\$ 1,931,174	\$ 9,240,933	\$ 8,991,769	\$ 11,114,696	\$ 10,922,943
Operating grants and contributions	2,797,641	\$ 3,434,998	-	102,518	2,797,641	3,537,516
Capital grants and contributions	329,014	\$ 168,408	-	-	329,014	168,408
General Revenues:						
Property taxes	835,547	856,251	-	-	835,547	856,251
Sales and use taxes	13,103,291	12,252,686	2,694,759	2,475,498	15,798,050	14,728,184
Other taxes	822,545	703,964	-	-	822,545	703,964
Investment earnings	1,150,755	24,961	1,027,256	8,277	2,178,011	33,238
Other revenues	611,205	635,953	219,813	514,773	831,018	1,150,726
Total revenues	<u>\$ 21,523,761</u>	<u>\$ 20,008,395</u>	<u>\$ 13,182,761</u>	<u>\$ 12,092,835</u>	<u>\$ 34,706,522</u>	<u>\$ 32,101,230</u>
EXPENSES						
General government	5,136,556	4,838,419	-	-	5,136,556	4,838,419
Public Safety	3,455,350	3,171,813	-	-	3,455,350	3,171,813
Public Works	5,917,655	5,625,934	-	-	5,917,655	5,625,934
Cemetery	4,673	5,165	-	-	4,673	5,165
Parks and recreation	3,730,018	3,489,306	-	-	3,730,018	3,489,306
Economic development and assistance	904,061	987,467	-	-	904,061	987,467
Interest Expense	129,372	136,376	-	-	129,372	136,376
Water operations	-	-	4,391,408	4,205,173	4,391,408	4,205,173
Sewer operations	-	-	2,850,855	2,829,013	2,850,855	2,829,013
Sanitation operations	-	-	839,823	787,680	839,823	787,680
Total expenses	<u>\$ 19,277,685</u>	<u>\$ 18,254,480</u>	<u>\$ 8,082,086</u>	<u>\$ 7,821,866</u>	<u>\$ 27,359,771</u>	<u>\$ 26,076,346</u>
Increase in net assets before transfers	2,246,076	1,753,915	5,100,675	4,270,969	7,346,751	6,024,884
Transfers	2,000	2,000	(2,000)	(2,000)	-	-
Increase in net assets	<u>\$ 2,248,076</u>	<u>\$ 1,755,915</u>	<u>\$ 5,098,675</u>	<u>\$ 4,268,969</u>	<u>\$ 7,346,751</u>	<u>\$ 6,024,884</u>
Net Position, Beginning of year	78,110,761	76,354,846	76,945,561	72,676,592	155,056,322	149,031,438
Net Position, end of year	<u>\$ 80,358,837</u>	<u>\$ 78,110,761</u>	<u>\$ 82,044,236</u>	<u>\$ 76,945,561</u>	<u>\$ 162,403,073</u>	<u>\$ 155,056,322</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.

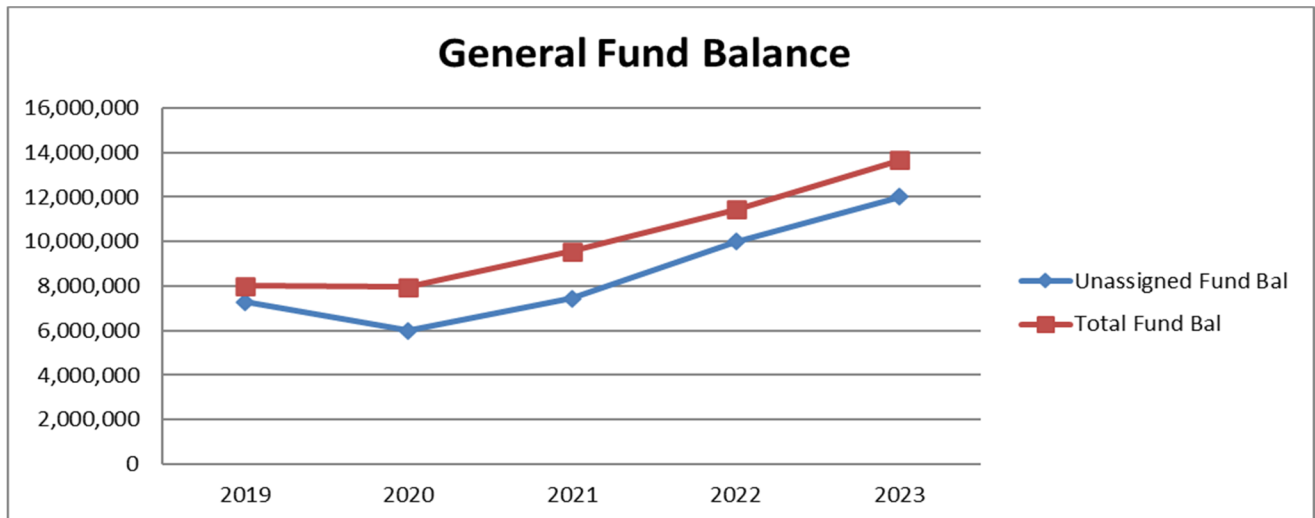
Governmental Funds – The focus of the City's governmental funds statements is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financial requirements. Unreserved fund balance may serve as a useful measure of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

City of Rifle, Colorado
 Management’s Discussion and Analysis
 December 31, 2023

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 capital asset acquisitions is reported in the *Statement of Revenues, Expenditures, and Changes in Fund Balance*. Therefore, governmental fund capital outlay expenditures of \$3,698,658 acquired in 2023 (page 9) are not reflected in the *Statement of Activities*.

At year-end 2023, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 6) reported a combined fund balance of \$25,564,666, an increase of \$1,569,447 from the prior year. The General Fund balance increased \$2,207,629 or 19.28%. The Street Improvement Fund balance increased \$451,594 or 9.1%. The Parks and Recreation Fund balance increased \$84,302 or 2.86%. The Capital Improvement Fund balance decreased \$999,421.

The General Fund unassigned fund balance on December 31, 2023 was \$12,018,538 or 104.6% of 2023 annual expenditures. Unassigned fund balance increased \$2,032,289. 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 \$5,098,675 to \$82,044,236. Investment in capital assets, net of related debt represents 67.82% of total net position.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2023

ENTERPRISE FUND NET POSITION
December 31, 2023 and 2022

	Water		Wastewater		Sanitation		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Investment in capital assets net of related debt	\$ 38,121,777	\$ 36,520,636	\$ 17,519,603	\$ 17,432,497	\$ -	\$ -	\$ 55,641,380	53,953,133
Restricted:								
For Emergencies	205,000	205,000	-	-	-	-	205,000	205,000
For O&M Reserve	663,535	663,535	826,662	826,662	-	-	1,490,197	1,490,197
Unrestricted	<u>16,495,092</u>	<u>15,010,345</u>	<u>7,977,346</u>	<u>6,107,828</u>	<u>235,221</u>	<u>179,058</u>	<u>24,707,659</u>	<u>21,297,231</u>
Total net position	<u>\$ 55,485,404</u>	<u>\$ 52,399,516</u>	<u>\$ 26,323,611</u>	<u>\$ 24,366,987</u>	<u>\$ 235,221</u>	<u>\$ 179,058</u>	<u>\$ 82,044,236</u>	<u>\$ 76,945,561</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 a \$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 2023, the Water fund increased Net Position by \$3,085,888. Wastewater increased by \$1,956,624. The Sanitation fund incurred a net increase of \$56,163.

Total unrestricted net position increased \$3,410,428 during 2023. The Water Fund's unrestricted net position increased by \$1,484,747; Wastewater Fund increased \$1,869,518; and the Sanitation Fund increased by \$56,163.

General Fund Budgetary Highlights

The General Fund revenues increased by \$1,568,401 or 12.93% from 2022 and exceeded budget by \$238,225 or 1.77%. Expenditures increased \$1,248,490 from 2022 or 12.19% and were under budget by \$3,208,658, or 21.83%. Management and the 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 2023, the City had \$138,144,079 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 0.32%.

City of Rifle, Colorado
Management's Discussion and Analysis
December 31, 2023

CAPITAL ASSETS AT YEAR-END						
(Net of Depreciation)						
As of December 31, 2023 and 2022						
	Governmental Activities		Business Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land & Rights	\$ 4,365,822	\$ 4,365,823	\$ 2,636,896	\$ 2,636,896	\$ 7,002,718	\$ 7,002,719
Construction in Process	2,173,563	699,908	2,674,029	-	4,847,592	699,908
Buildings	9,319,487	9,133,699	45,352,155	47,360,115	54,671,642	56,493,814
Improvements	40,991,485	42,714,799	27,251,295	28,708,648	68,242,780	71,423,447
Equipment	1,067,519	671,652	1,307,149	1,184,495	2,374,668	1,856,147
Int Svc Equipment & Vehicles	1,004,679	1,114,999	-	-	1,004,679	1,114,999
Total	<u>\$ 58,922,555</u>	<u>\$ 58,700,880</u>	<u>\$ 79,221,524</u>	<u>\$ 79,890,154</u>	<u>\$ 138,144,079</u>	<u>\$ 138,591,034</u>

Debt Administration – At the end of 2023, the City of Rifle had a balance of \$27,154,380 outstanding in revenue bonds; revenue notes payable, notes payable and capital leases, of which \$3,725,255 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, 2023 and 2022						
	Governmental Activities		Business Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue bonds and notes payable	\$ -	\$ -	\$ 23,429,125	\$ 25,893,574	\$ 23,429,125	\$ 25,893,574
Construction Loan	<u>\$ 3,725,255</u>	<u>\$ 3,884,999</u>	-	-	<u>\$ 3,725,255</u>	<u>\$ 3,884,999</u>
Total	<u>\$ 3,725,255</u>	<u>\$ 3,884,999</u>	<u>\$ 23,429,125</u>	<u>\$ 25,893,574</u>	<u>\$ 27,154,380</u>	<u>\$ 29,778,573</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, 2023

Economic Factors

In 2023 the City of Rifle experienced a 6.7% increase in sales and use tax collections. A conservative approach was taken in the preparation of the 2023 budget. Therefore, the strong sales and use tax collection led the City to exceed revenue expectations. The City of Rifle, because 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 of Rifle continues to take steps to stimulate the local economy and drive new business to the area. In 2024 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 regarding 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, 2023

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 26,124,566	\$ 25,411,947	\$ 51,536,513
Accounts Receivable	68,456	1,479,470	1,547,926
Property Taxes Receivable	818,204	-	818,204
Taxes Receivable	3,923,109	-	3,923,109
Inventory	13,247	259,420	272,667
Prepaid Expenses	-	997	997
Capital Assets, <i>Not Being Depreciated</i>	6,539,385	5,310,925	11,850,310
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>52,383,170</u>	<u>73,910,599</u>	<u>126,293,769</u>
 Total Assets	 <u>\$ 89,870,137</u>	 <u>\$ 106,373,358</u>	 <u>\$ 196,243,495</u>
Liabilities			
Accounts Payable	\$ 1,020,222	\$ 436,596	\$ 1,456,818
Accrued Salaries	16,382	52,099	68,481
Accrued Liabilities	-	89,879	89,879
Accrued Interest Payable	-	223,781	223,781
Deposits	717,804	10,840	728,644
Retainage Payable	123,498	-	123,498
Noncurrent Liabilities			
Due Within One Year	229,864	2,414,235	2,644,099
Due in More Than One Year	<u>4,138,939</u>	<u>21,031,795</u>	<u>25,170,734</u>
 Total Liabilities	 <u>6,246,709</u>	 <u>24,259,225</u>	 <u>30,505,934</u>
Deferred Inflows of Resources			
Property Taxes	3,264,591	-	3,264,591
Deferred Tap Fees	<u>-</u>	<u>69,897</u>	<u>69,897</u>
 Total Deferred Inflows of Resources	 <u>3,264,591</u>	 <u>69,897</u>	 <u>3,334,488</u>
Net Position			
Net Investment in Capital Assets	55,073,802	55,641,380	110,715,182
Restricted For:			
Emergencies	1,021,537	205,000	1,226,537
Debt Service	180,698	-	180,698
Parks and Recreation	487,911	-	487,911
Operations and Maintenance Reserve	-	1,490,197	1,490,197
Unrestricted	<u>23,594,889</u>	<u>24,707,659</u>	<u>48,302,548</u>
 Total Net Position	 <u>\$ 80,358,837</u>	 <u>\$ 82,044,236</u>	 <u>\$ 162,403,073</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Activities
For the Year Ended December 31, 2023

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	\$ 5,136,556	\$ 1,173,053	\$ 2,123,250	\$ 179,014	\$ (1,661,239)	\$ -	\$ (1,661,239)
Public Safety	3,455,350	30,509	44,494	-	(3,380,347)	-	(3,380,347)
Public Works	5,917,655	-	566,190	-	(5,351,465)	-	(5,351,465)
Cemetery	4,673	56,059	-	-	51,386	-	51,386
Parks and Recreation	3,730,018	462,416	11,254	150,000	(3,106,348)	-	(3,106,348)
Economic Development	904,061	151,726	52,453	-	(699,882)	-	(699,882)
Interest on Long-Term Debt	129,372	-	-	-	(129,372)	-	(129,372)
Total Government Activities	<u>19,277,685</u>	<u>1,873,763</u>	<u>2,797,641</u>	<u>329,014</u>	<u>(14,277,267)</u>	<u>-</u>	<u>(14,277,267)</u>
<i>Business-Type Activities</i>							
Water Utility	4,391,408	3,895,785	-	-	-	(495,623)	(495,623)
Wastewater Utility	2,850,855	4,486,473	-	-	-	1,635,618	1,635,618
Sanitation Operations	839,823	858,675	-	-	-	18,852	18,852
Total Business-Type Activities	<u>8,082,086</u>	<u>9,240,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,158,847</u>	<u>1,158,847</u>
Total Primary Government	<u>\$ 27,359,771</u>	<u>\$ 11,114,696</u>	<u>\$ 2,797,641</u>	<u>\$ 329,014</u>	<u>(14,277,267)</u>	<u>1,158,847</u>	<u>(13,118,420)</u>
General Revenues							
Property Taxes					835,547	-	835,547
Specific Ownership Taxes					47,393	-	47,393
Sales and Use Taxes					13,103,291	2,694,759	15,798,050
Franchise Taxes					524,140	-	524,140
Other Taxes					251,012	-	251,012
Grants and Contributions not Restricted to Specific Programs					37,560	-	37,560
Investment Income					1,150,755	1,027,256	2,178,011
Gain (Loss) on Disposal of Capital Assets					98,090	(170,947)	(72,857)
Other					475,555	390,760	866,315
Transfers					<u>2,000</u>	<u>(2,000)</u>	<u>-</u>
Total General Revenues					<u>16,525,343</u>	<u>3,939,828</u>	<u>20,465,171</u>
Change in Net Position							
					2,248,076	5,098,675	7,346,751
Net Position, <i>Beginning of year</i>					<u>78,110,761</u>	<u>76,945,561</u>	<u>155,056,322</u>
Net Position, <i>End of year</i>					<u>\$ 80,358,837</u>	<u>\$ 82,044,236</u>	<u>\$ 162,403,073</u>

City of Rifle, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Assets						
Cash and Investments	\$ 12,949,001	\$ 6,282,970	\$ 3,041,558	\$ 1,895,843	\$ 1,672,914	\$ 25,842,286
Accounts Receivable	67,806	650	-	-	-	68,456
Taxes Receivable	3,923,052	-	-	-	57	3,923,109
Property Taxes Receivable	761,854	-	-	-	56,350	818,204
Total Assets	\$ 17,701,713	\$ 6,283,620	\$ 3,041,558	\$ 1,895,843	\$ 1,729,321	\$ 30,652,055
Liabilities						
Accounts Payable	\$ 120,921	\$ 788,541	\$ 7,663	\$ 39,680	\$ 24,691	\$ 981,496
Retainage Payable	-	82,142	-	41,356	-	123,498
Deferred Revenue	2,446,387	-	-	-	-	2,446,387
Deposits	716,654	-	350	-	800	717,804
Total Liabilities	3,283,962	870,683	8,013	81,036	25,491	4,269,185
Deferred Inflows of Resources						
Property Taxes	761,854	-	-	-	56,350	818,204
Fund Balances						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	323,469	323,469
Restricted For:						
Emergencies	1,021,537	-	-	-	-	1,021,537
Debt Service	180,698	-	-	-	-	180,698
Parks and Recreation	265,308	-	-	-	222,603	487,911
Assigned For:						
Channel 10	36,293	-	-	-	-	36,293
Senior Center Capital and Meals	131,051	-	-	-	-	131,051
Police Expenditures	2,472	-	-	-	-	2,472
Economic Development	-	-	-	-	1,101,408	1,101,408
Street Improvement	-	5,412,937	-	-	-	5,412,937
Parks and Recreation	-	-	3,033,545	-	-	3,033,545
Capital Improvements	-	-	-	1,814,807	-	1,814,807
Unrestricted, Unassigned	12,018,538	-	-	-	-	12,018,538
Total Fund Balances	13,655,897	5,412,937	3,033,545	1,814,807	1,647,480	25,564,666
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,701,713	\$ 6,283,620	\$ 3,041,558	\$ 1,895,843	\$ 1,729,321	\$ 30,652,055

City of Rifle, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2023

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

Total Fund Balances of Governmental Funds	\$ 25,564,666
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	57,917,876
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	(3,725,255)
Accrued Compensated Absences	(643,548)
Internal Service Funds are blended into Governmental Activities	1,245,098
Total Net Position of Governmental Activities	\$ 80,358,837

City of Rifle, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 8,768,887	\$ 1,775,617	\$ 3,551,235	\$ -	\$ 665,644	\$ 14,761,383
Licenses and Permits	221,333	157,221	-	-	-	378,554
Intergovernmental	2,746,331	150,000	46,834	-	221,050	3,164,215
Charges for Services	1,164,771	951	429,341	-	170,131	1,765,194
Investment Income	562,214	260,273	135,585	111,625	82,217	1,151,914
Other	208,885	-	229,835	-	36,835	475,555
Total Revenues	<u>13,672,421</u>	<u>2,344,062</u>	<u>4,392,830</u>	<u>111,625</u>	<u>1,175,877</u>	<u>21,696,815</u>
Expenditures						
Current						
General Government	4,188,143	-	-	-	-	4,188,143
Public Safety	3,834,304	-	-	-	-	3,834,304
Public Works	2,106,222	750,804	-	-	-	2,857,026
Parks and Recreation	607,356	-	2,918,051	-	-	3,525,407
Economic Development	-	-	-	-	918,591	918,591
Capital Outlay	98,767	2,271,664	845,267	1,111,046	193,343	4,520,087
Debt Service						
Principal	-	-	166,994	-	-	166,994
Interest and Fiscal Charges	-	-	129,372	-	-	129,372
Total Expenditures	<u>10,834,792</u>	<u>3,022,468</u>	<u>4,059,684</u>	<u>1,111,046</u>	<u>1,111,934</u>	<u>20,139,924</u>
Revenues Over (Under) Expenditures	<u>2,837,629</u>	<u>(678,406)</u>	<u>333,146</u>	<u>(999,421)</u>	<u>63,943</u>	<u>1,556,891</u>
Other Financing Sources (Uses)						
Disposal of capital assets	-	-	10,556	-	-	10,556
Transfers In	25,000	1,130,000	40,600	-	67,000	1,262,600
Transfers Out	(655,000)	-	(300,000)	-	(305,600)	(1,260,600)
Total Other Financing Sources (Uses)	<u>(630,000)</u>	<u>1,130,000</u>	<u>(248,844)</u>	<u>-</u>	<u>(238,600)</u>	<u>12,556</u>
Net Change in Fund Balances	2,207,629	451,594	84,302	(999,421)	(174,657)	1,569,447
Fund Balances, Beginning 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>
Fund Balances, End of year	<u>\$ 13,655,897</u>	<u>\$ 5,412,937</u>	<u>\$ 3,033,545</u>	<u>\$ 1,814,807</u>	<u>\$ 1,647,480</u>	<u>\$ 25,564,666</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, 2023

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

Net Change in Fund Balances of Governmental Funds	\$ 1,569,447
<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	3,698,658
Depreciation Expense	(3,366,662)
<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	159,744
Change in Accrued Compensated Absences	(43,991)
<p>Internal Service Funds are blended into Governmental Activities:</p>	
Fleet Maintenance and Information Technology Funds, Change in Net Position	230,880
Change in Net Position of Governmental Activities	\$ 2,248,076

City of Rifle, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 16,854,457	\$ 8,312,644	\$ 244,846	\$ 25,411,947	\$ 282,280
Accounts Receivable	498,850	859,556	121,064	1,479,470	-
Taxes Receivable	-	-	-	-	-
Prepaid Expenses	-	499	498	997	-
Inventory	244,553	14,867	-	259,420	13,247
Total Current Assets	17,597,860	9,187,566	366,408	27,151,834	295,527
<i>Noncurrent Assets</i>					
<i>Capital Assets</i>					
<i>Not Being Depreciated</i>	4,505,221	805,704	-	5,310,925	-
<i>Net of Accumulated Depreciation</i>	51,393,435	22,517,164	-	73,910,599	1,004,679
Total Noncurrent Assets	55,898,656	23,322,868	-	79,221,524	1,004,679
Total Assets	73,496,516	32,510,434	366,408	106,373,358	1,300,206
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	169,465	135,970	131,161	436,596	38,726
Accrued Liabilities	34,643	107,309	26	141,978	16,382
Accrued Interest Payable	129,795	93,986	-	223,781	-
Deposits	10,840	-	-	10,840	-
Compensated Absences	845	-	-	845	-
Loan Payable - Current Portion	1,150,654	1,027,736	-	2,178,390	-
Certificates of Participation - Current Portion	235,000	-	-	235,000	-
Total Current Liabilities	1,731,242	1,365,001	131,187	3,227,430	55,108
<i>Noncurrent Liabilities</i>					
Compensated Absences	16,060	-	-	16,060	-
Notes Payable	13,121,841	4,773,894	-	17,895,735	-
Certificates of Participation	3,120,000	-	-	3,120,000	-
Total Noncurrent Liabilities	16,257,901	4,773,894	-	21,031,795	-
Total Liabilities	17,989,143	6,138,895	131,187	24,259,225	55,108
Deferred Inflows of Resources					
Deferred Tap Fees	21,969	47,928	-	69,897	-
Net Position					
Net Investment in Capital Assets	38,121,777	17,519,603	-	55,641,380	1,004,679
Restricted for:					
Emergencies	205,000	-	-	205,000	-
Operations and Maintenance Reserve	663,535	826,662	-	1,490,197	-
Unrestricted	16,495,092	7,977,346	235,221	24,707,659	240,419
Total Net Position	\$ 55,485,404	\$ 26,323,611	\$ 235,221	\$ 82,044,236	\$ 1,245,098

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, 2023

	Business-Type Activities				Governmental
	Water	Wastewater	Sanitation	Total	Internal Service Funds
Operating Revenues					
Charges for Services	\$ 3,539,423	\$ 4,233,873	\$ 858,675	\$ 8,631,971	\$ 1,795,258
Sale of Materials	21,743	-	-	21,743	-
Other	382,357	-	-	382,357	-
Total Operating Revenues	<u>3,943,523</u>	<u>4,233,873</u>	<u>858,675</u>	<u>9,036,071</u>	<u>1,795,258</u>
Operating Expenses					
Personal Services	865,094	582,810	13,253	1,461,157	461,932
Supplies	18,024	244,554	-	262,578	270,070
Purchased Services	772,477	449,826	792,094	2,014,397	594,496
Other Expenses	6,493	63	142	6,698	-
Management Fees	152,779	93,795	32,903	279,477	-
Fleet Maintenance	39,078	30,060	-	69,138	4,809
Information Technology Maintenance	110,220	62,506	1,431	174,157	11,929
Small Equipment Purchases	460,331	106,346	-	566,677	70,757
Depreciation	1,624,259	1,076,463	-	2,700,722	236,761
Total Operating Expenses	<u>4,048,755</u>	<u>2,646,423</u>	<u>839,823</u>	<u>7,535,001</u>	<u>1,650,754</u>
Operating Income (Loss)	<u>(105,232)</u>	<u>1,587,450</u>	<u>18,852</u>	<u>1,501,070</u>	<u>144,504</u>
Nonoperating Revenues (Expenses)					
Sales and Use Taxes	2,663,426	-	31,333	2,694,759	-
Investment Income	699,920	319,358	7,978	1,027,256	(1,159)
Other Revenues	6,755	1,648	-	8,403	-
Gain on Sale of Assets	(170,947)	-	-	(170,947)	87,535
Amortization of Bond Premiums	69,258	35,614	-	104,872	-
Interest and Fiscal Charges	(411,911)	(240,046)	-	(651,957)	-
Total Nonoperating Revenues (Expenses)	<u>2,856,501</u>	<u>116,574</u>	<u>39,311</u>	<u>3,012,386</u>	<u>86,376</u>
Income (Loss) Before Capital Contributions & Transfers	<u>2,751,269</u>	<u>1,704,024</u>	<u>58,163</u>	<u>4,513,456</u>	<u>230,880</u>
Capital Contributions					
System Improvement Fees	315,464	252,600	-	568,064	-
Cash in lieu of Water Rights	19,155	-	-	19,155	-
Total Capital Contributions	<u>334,619</u>	<u>252,600</u>	<u>-</u>	<u>587,219</u>	<u>-</u>
Transfers					
Transfers Out	-	-	(2,000)	(2,000)	-
Total Transfers	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Change in Net Position	<u>3,085,888</u>	<u>1,956,624</u>	<u>56,163</u>	<u>5,098,675</u>	<u>230,880</u>
Net Position, Beginning of year	<u>52,399,516</u>	<u>24,366,987</u>	<u>179,058</u>	<u>76,945,561</u>	<u>1,014,218</u>
Net Position, End of year	<u>\$ 55,485,404</u>	<u>\$ 26,323,611</u>	<u>\$ 235,221</u>	<u>\$ 82,044,236</u>	<u>\$ 1,245,098</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 3,466,077	\$ 4,115,170	\$ 832,229	\$ 8,413,476	\$ 1,795,258
Cash Received from Others	-	-	-	-	-
Cash Payments to Vendors and Suppliers	(2,361,418)	(1,520,854)	(770,385)	(4,652,657)	(1,404,967)
Cash Payments to Employees	(27,602)	79,659	(70)	51,987	682
Net Cash Provided (Used) by Operating Activities	<u>1,077,057</u>	<u>2,673,975</u>	<u>61,774</u>	<u>3,812,806</u>	<u>390,973</u>
Cash Flows From Noncapital Financing Activities					
Other Revenues	6,755	1,648	-	8,403	-
Payments from (to) Other Funds	-	-	(2,000)	(2,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>6,755</u>	<u>1,648</u>	<u>(2,000)</u>	<u>6,403</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities					
Purchases of Capital Assets	(1,898,589)	(133,502)	-	(2,032,091)	(126,441)
Proceeds from Sale of Assets	(170,947)	-	-	(170,947)	87,535
Advance from General Fund	-	-	-	-	(68,628)
Proceeds From System Improvement Fees	315,464	252,600	-	568,064	-
Proceeds From Cash in Lieu of Fees	19,155	-	-	19,155	-
Proceeds From Sales and Use Taxes	2,663,426	-	31,333	2,694,759	-
Principal Payments on Debt	(1,363,490)	(996,087)	-	(2,359,577)	-
Interest Payments on Debt	(418,921)	(248,257)	-	(667,178)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(853,902)</u>	<u>(1,125,246)</u>	<u>31,333</u>	<u>(1,947,815)</u>	<u>(107,534)</u>
Cash Flows from Investing Activities					
Interest Received	699,920	319,358	7,978	1,027,256	(1,159)
Net Increase in Cash and Cash Equivalents	929,830	1,869,735	99,085	2,898,650	282,280
Cash and Cash Equivalents, <i>Beginning of Year</i>	15,542,270	6,442,909	145,761	22,130,940	-
Cash and Cash Equivalents, <i>End of Year</i>	<u>\$ 16,472,100</u>	<u>\$ 8,312,644</u>	<u>\$ 244,846</u>	<u>\$ 25,029,590</u>	<u>\$ 282,280</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ (105,232)	\$ 1,587,450	\$ 18,852	\$ 1,501,070	\$ 144,504
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,624,259	1,076,463	-	2,700,722	236,761
Changes in Asset and Liabilities					
Accounts Receivable	(95,089)	(118,703)	(26,446)	(240,238)	-
Prepaid Expenses	499	-	-	499	-
Inventory	(25,626)	31,336	-	5,710	(2,104)
Accounts Payable	88,205	17,770	69,438	175,413	11,130
Accrued Liabilities	(27,602)	79,659	(70)	51,987	682
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,459,414</u>	<u>\$ 2,673,975</u>	<u>\$ 61,774</u>	<u>\$ 4,195,163</u>	<u>\$ 390,973</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 11, 2024, the date the financial statements were available to be issued.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2023, follows:

Petty Cash	\$	2,534
Cash Deposits		794,762
Investments		<u>50,739,217</u>
Total	\$	<u><u>51,536,513</u></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, 2023, the City had bank deposits of \$14,064,551 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, 2023, 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+	\$ 2,033,132	\$ 6,323,738	\$ 8,356,870
Certificates of Deposit	n/a	207,929	768,791	976,720
Money Market Funds	n/a	14,527,923	-	14,527,923
Local Government Investment Pools	AAAm	<u>26,877,704</u>	-	<u>26,877,704</u>
Total		<u>\$ 43,646,688</u>	<u>\$ 7,092,529</u>	<u>\$ 50,739,217</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

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, 2023, 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.

	Rating	Total
<hr/>		
U.S. Treasury Securities		
Federal Home Loan	AA+	8.4%
Federal Home Loan Bank Bond	AA+	6.7%
Money Market Funds		
Public Fund Money Market	AAmmf	16.0%
Charles Schwab	AAmmf	8.9%
Local Government Investment Pools		
ColoTrust Prime	AAAm*	24.4%
CSAFE	AAmmf	28.6%

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, 2023, the City's investments in the following represented more than 5% of the City's total investments.

Local Government Investment Pools - At December 31, 2023, the City had \$12,376,115 and \$14,501,589 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, 2023

Note 3: Capital Assets

Capital asset Governmental activity for the year ended December 31, 2023, is summarized below:

Governmental Activities	Balance 12/31/22	Additions	Transfer	Deletions	Balance 12/31/23
Capital Assets, Not Being Depreciated:					
Land	\$ 4,365,822	\$ -	\$ -	\$ -	\$ 4,365,822
Construction in Progress	699,908	2,067,513	(593,858)	-	2,173,563
Total Capital Assets, Not Being Depreciated	5,065,730	2,067,513	(593,858)	-	6,539,385
Capital Assets, Being Depreciated:					
Buildings	17,401,714	68,699	593,858	-	18,064,271
Improvements	90,380,455	1,033,214	-	-	91,413,669
Equipment	4,149,715	529,232	-	(220,069)	4,458,878
Internal Service - Equipment	3,290,188	137,846	-	(294,744)	3,133,290
Total Capital Assets, Being Depreciated	115,222,072	1,768,991	593,858	(514,813)	117,070,108
Less Accumulated Depreciation:					
Buildings	(8,268,015)	(476,769)	-	-	(8,744,784)
Improvements	(47,665,656)	(2,756,528)	-	-	(50,422,184)
Equipment	(3,478,063)	(133,365)	-	220,069	(3,391,359)
Internal Service - Equipment	(2,175,189)	(236,760)	-	283,338	(2,128,611)
Total Accumulated Depreciation	(61,586,923)	(3,603,422)	-	503,407	(64,686,938)
Total Capital Assets, Being Depreciated, net	53,635,149	(1,834,431)	593,858	(11,406)	52,383,170
Governmental Activities Capital Assets, net	\$ 58,700,879	\$ 233,082	\$ -	\$ (11,406)	\$ 58,922,555

Capital asset Business-Type activity for the year ended December 31, 2023, is summarized

Business-Type Activities	Balance 12/31/22	Additions	Transfers	Deletions	Balance 12/31/23
Capital Assets, Not Being Depreciated:					
Land and improvements	\$ 1,985,544	\$ -	\$ -	\$ -	\$ 1,985,544
Water Rights	651,352	-	-	-	651,352
Construction in Progress	-	1,760,307	913,722	-	2,674,029
Total Capital Assets, Not Being Depreciated	2,636,896	1,760,307	913,722	-	5,310,925
Capital Assets, Being Depreciated:					
Buildings	73,822,846	-	-	(4,417,312)	69,405,534
Improvements	43,353,280	233,088	(913,722)	(9,800)	42,662,846
Equipment	3,098,783	209,644	-	(91,813)	3,216,614
Total Capital Assets, Being Depreciated	120,274,909	442,732	(913,722)	(4,518,925)	115,284,994
Less Accumulated Depreciation:					
Buildings	(26,462,731)	(1,839,365)	-	4,248,717	(24,053,379)
Improvements	(14,644,632)	(774,367)	-	7,448	(15,411,551)
Equipment	(1,914,288)	(86,990)	-	91,813	(1,909,465)
Total Accumulated Depreciation	(43,021,651)	(2,700,722)	-	4,347,978	(41,374,395)
Total Capital Assets, Being Depreciated	77,253,258	(2,257,990)	(913,722)	(170,947)	73,910,599
Business-Type Activities Capital Assets, net	\$ 79,890,154	\$ (497,683)	\$ -	\$ (170,947)	\$ 79,221,524

below:

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

Note 3: Capital Assets (Continued)

	Total
Governmental Activities	
General Government	\$ 249,240
Public Safety	76,936
Public Works	2,148,848
Cemetery	4,673
Parks and Recreation	792,851
Economic Development	94,113
	3,366,661
Internal Service - Equipment	236,761
	3,603,422
Total	\$ 3,603,422

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

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, 2023:

	Balance 12/31/22	Additions	Payments	Balance 12/31/23	Due Within One Year
Construction Loan	\$ 3,884,999	\$ -	\$ (159,744)	\$ 3,725,255	\$ 165,509
Compensated Absences	599,557	281,017	(237,026)	643,548	64,355
	4,484,556	281,017	(396,770)	4,368,803	229,864
Total	\$ 4,484,556	\$ 281,017	\$ (396,770)	\$ 4,368,803	\$ 229,864

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

In December 2018, the City obtained a construction loan which allows the City to borrow up to \$5,800,000, towards the pool renovation. The City was allowed to draw upon the loan through December 2020, at which time the loan converted into a term loan. The loan is due on December 1, 2040, with a maximum bi-annual payment of \$144,588. Semi-annual payments are due on June 1 and December 1. Interest on the unpaid outstanding loan balance is at 3.3%. During the loan period, the City must maintain a cash deposit with the lender in a Debt Service Reserve Fund equal to 125% of the bi-annual principal and interest payable on the loan in the amount of \$180,698.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

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>
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>\$ 3,725,255</u>	<u>\$ 1,190,859</u>	<u>\$ 4,916,114</u>

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2023:

	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/23</u>	<u>Due Within</u> <u>One Year</u>
2007 CWRPDA Loan - Wastewater	\$ 6,634,488	\$ -	\$ (996,088)	\$ 5,638,400	\$ 1,027,736
Premium	198,843	-	(35,613)	163,230	-
2012 CWRPDA Loan - Water	13,599,140	-	(1,040,006)	12,559,134	1,052,170
2012 CWRPDA Loan - Water (Fed)	1,078,867	-	(98,484)	980,383	98,484
Premium	802,236	-	(69,258)	732,978	-
2015 Certificate of Participation - Water	3,580,000	-	(225,000)	3,355,000	235,000
Compensated Absences	40,719	43,696	(67,510)	16,905	845
Total	<u>\$ 25,934,293</u>	<u>\$ 43,696</u>	<u>\$ (2,531,959)</u>	<u>\$ 23,446,030</u>	<u>\$ 2,414,235</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, 2023

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>
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>\$ 5,638,400</u>	<u>\$ 633,102</u>	<u>\$ 6,271,502</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>
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>\$ 12,559,134</u>	<u>\$ 2,006,620</u>	<u>\$ 14,565,754</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, 2023

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>
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>\$ 980,383</u>	<u>\$ 95,762</u>	<u>\$ 1,076,145</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>
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>\$ 3,355,000</u>	<u>\$ 725,943</u>	<u>\$ 4,080,943</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

Note 5: Interfund Transactions

The City has recorded the following routine transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 25,000	\$ (655,000)
Street Improvement	1,130,000	-
Parks and Recreation	40,600	(300,000)
Internal Service	-	-
Capital Improvements	-	-
Non-major Governmental Funds	67,000	(305,600)
Sanitation Fund	<u>-</u>	<u>(2,000)</u>
 Total	 <u>\$ 1,262,600</u>	 <u>\$ (1,262,600)</u>

Note 6: Pension Plan

The City provides pension benefits for all its full-time police officers through a defined contribution plan. The police officers contribute 8% of their compensation to the plan, which the City matches with a 12.51% contribution. The City's contributions for each employee (and interest allocated thereon) vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. During the year ended December 31, 2023, the City contributed \$191,200 and the employees contributed \$122,367 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, 2023, the City contributed \$240,024 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.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

Note 7: Risk-Related Activities

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

The City carries commercial insurance for workers' compensation claims.

Note 8: Commitments and Contingencies

TABOR Amendment

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

Litigation

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

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, 2023

Note 9: Rate Maintenance (Continued)

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

	<u>Water Fund</u>	<u>Wastewater Fund</u>
Revenues		
Operating Revenues	\$ 3,943,523	\$ 4,233,873
Sales & Use Taxes	2,663,426	-
System Improvement Fees	315,464	252,600
Investment Income	699,920	319,358
Cash in Lieu of Water Rights Fees	19,155	-
Other Revenues	<u>6,755</u>	<u>1,648</u>
 Total Revenues	 <u>7,648,243</u>	 <u>4,807,479</u>
Expenses		
Operating Expenses	4,048,755	2,646,423
Less Depreciation	<u>(1,624,259)</u>	<u>(1,076,463)</u>
 Net Expenses	 <u>2,424,496</u>	 <u>1,569,960</u>
 Net Revenues	 <u>\$ 5,223,747</u>	 <u>\$ 3,237,519</u>
 Debt Service Requirements (Parity and Subordinate)		
2007 CWRPDA Note Payable	\$ -	\$ 1,248,593
2012 CWRPDA - Interest Bearing	1,322,881	-
2012 CWRPDA - Federal	119,572	-
2015 Certificates of Participation	<u>341,762</u>	<u>-</u>
 Debt Service Required	 <u>1,784,215</u>	 <u>1,248,593</u>
 Required Coverage		
(Water at 100%, without System Improvement Fees)	<u>110%</u>	<u>110%</u>
 Debt Service Coverage at 110%	 <u>\$ 1,962,637</u>	 <u>\$ 1,373,452</u>
 Net Revenue Excess	 <u>\$ 3,261,110</u>	 <u>\$ 1,864,067</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2023

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 2023 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 2023, 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 2023 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, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 8,139,811	\$ 8,139,811	\$ 8,768,887	\$ 629,076
Licenses and Permits	230,120	230,120	221,333	(8,787)
Intergovernmental	3,811,698	3,811,698	2,746,331	(1,065,367)
Charges for Services	1,030,691	1,030,691	1,164,771	134,080
Interest Income	72,676	72,676	562,214	489,538
Miscellaneous	149,200	149,200	208,885	59,685
Total Revenue	<u>13,434,196</u>	<u>13,434,196</u>	<u>13,672,421</u>	<u>238,225</u>
Expenditures				
General Government	4,351,326	4,351,326	4,188,143	163,183
Public Safety	4,455,757	4,455,757	3,834,304	621,453
Public Works	2,130,677	2,130,677	2,106,222	24,455
Parks and Recreation	507,449	505,648	607,356	(101,708)
Capital Outlay	363,640	361,065	98,767	262,298
Total Expenditures	<u>11,808,849</u>	<u>11,804,473</u>	<u>10,834,792</u>	<u>969,681</u>
Excess Revenues Over (Under) Expenditures	1,625,347	1,629,723	2,837,629	1,207,906
Other Financing Sources (Uses)				
Transfers In	25,000	250,000	25,000	(225,000)
Transfers Out	(2,169,601)	(2,169,601)	(655,000)	1,514,601
Total Other Financing Sources (Uses)	<u>(2,144,601)</u>	<u>(1,919,601)</u>	<u>(630,000)</u>	<u>1,289,601</u>
Change in Fund Balance	(519,254)	(289,878)	2,207,629	2,497,507
Fund Balance, Beginning of Year	<u>11,372,164</u>	<u>11,372,164</u>	<u>11,448,268</u>	<u>76,104</u>
Fund Balance, End of Year	<u>\$ 10,852,910</u>	<u>\$ 11,082,286</u>	<u>\$ 13,655,897</u>	<u>\$ 2,573,611</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 1,573,877	\$ 1,573,877	\$ 1,775,617	\$ 201,740
Licenses and Permits	22,500	22,500	158,172	135,672
Intergovernmental	4,942,472	4,942,472	150,000	(4,792,472)
Investment Income	84,057	84,057	260,273	176,216
	<u>6,622,906</u>	<u>6,622,906</u>	<u>2,344,062</u>	<u>(4,278,844)</u>
Total Revenues				
Expenditures				
Public Works	391,955	391,955	750,804	(358,849)
Capital Outlay	9,057,057	9,887,057	2,271,664	7,615,393
	<u>9,449,012</u>	<u>10,279,012</u>	<u>3,022,468</u>	<u>7,256,544</u>
Total Expenditures				
Excess Revenues Over (Under) Expenditures	(2,826,106)	(3,656,106)	(678,406)	2,977,700
Other Financing Sources (Uses)				
Transfers In	2,464,601	3,294,601	1,130,000	(2,164,601)
Total Other Financing Sources (Uses)	<u>2,464,601</u>	<u>3,294,601</u>	<u>1,130,000</u>	<u>(2,164,601)</u>
Net Change in Fund Balance	(361,505)	(361,505)	451,594	813,099
Fund Balance, Beginning of year	<u>3,697,929</u>	<u>3,697,929</u>	<u>4,961,343</u>	<u>1,263,414</u>
Fund Balance, End of year	<u>\$ 3,336,424</u>	<u>\$ 3,336,424</u>	<u>\$ 5,412,937</u>	<u>\$ 2,076,513</u>

City of Rifle, Colorado
Budgetary Comparison Schedule
Parks and Recreation Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 3,246,947	\$ 3,246,947	\$ 3,551,235	\$ 304,288
Intergovernmental	7,600	7,600	46,834	39,234
Charges for Services	384,850	384,850	429,341	44,491
Interest Income	10,087	10,087	135,583	125,496
Other	-	249,036	229,835	(19,201)
Total Revenues	<u>3,649,484</u>	<u>3,898,520</u>	<u>4,392,828</u>	<u>494,308</u>
Expenditures				
Parks and Recreation	2,899,363	3,516,830	2,918,051	598,779
Capital Outlay	278,000	433,229	845,267	(412,038)
Debt Service - Principal	162,479	162,479	166,994	(4,515)
Debt Service - Interest	133,887	133,887	129,372	4,515
Total Expenditures	<u>3,473,729</u>	<u>4,246,425</u>	<u>4,059,684</u>	<u>186,741</u>
Excess Revenues Over (Under) Expenditures	175,755	(347,905)	333,144	681,049
Other Financing Sources (Uses)				
Gain/(loss) on Disposal of Assets	-	-	10,558	10,558
Transfers In	10,600	10,600	40,600	30,000
Transfers Out	(300,000)	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>(289,400)</u>	<u>(289,400)</u>	<u>(248,842)</u>	<u>40,558</u>
Net Change in Fund Balance	(113,645)	(637,305)	84,302	721,607
Fund Balance, Beginning of year	<u>2,484,447</u>	<u>2,484,447</u>	<u>2,949,243</u>	<u>464,796</u>
Fund Balance, End of year	<u>\$ 2,370,802</u>	<u>\$ 1,847,142</u>	<u>\$ 3,033,545</u>	<u>\$ 1,186,403</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment Income	\$ 36,313	\$ 36,313	\$ 111,625	\$ 75,312
Total Revenues	<u>36,313</u>	<u>36,313</u>	<u>111,625</u>	<u>75,312</u>
Expenditures				
Capital Outlay	<u>1,000,000</u>	<u>1,550,000</u>	<u>1,111,046</u>	<u>438,954</u>
Total Expenditures	<u>1,000,000</u>	<u>1,550,000</u>	<u>1,111,046</u>	<u>438,954</u>
Net Change in Fund Balance	(963,687)	(1,513,687)	(999,421)	514,266
Fund Balance, Beginning of year	<u>2,537,769</u>	<u>2,537,769</u>	<u>2,814,228</u>	<u>276,459</u>
Fund Balance, End of year	<u>\$ 1,574,082</u>	<u>\$ 1,024,082</u>	<u>\$ 1,814,807</u>	<u>\$ 790,725</u>

City of Rifle, Colorado
Notes to Required Supplementary Information
December 31, 2023

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, 2023

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Assets							
Cash and Investments	\$ 222,603	\$ 454,637	\$ 117,046	\$ 484,720	\$ 70,439	\$ 323,469	\$ 1,672,914
Taxes Receivable	-	-	57	-	-	-	57
Property Taxes Receivable	-	-	56,350	-	-	-	56,350
Total Assets	<u>\$ 222,603</u>	<u>\$ 454,637</u>	<u>\$ 173,453</u>	<u>\$ 484,720</u>	<u>\$ 70,439</u>	<u>\$ 323,469</u>	<u>\$ 1,729,321</u>
Liabilities							
Accounts Payable	\$ -	\$ 2,277	\$ 810	\$ 20,589	\$ 1,015	\$ -	\$ 24,691
Deposit	-	-	-	800	-	-	800
Total Liabilities	<u>-</u>	<u>2,277</u>	<u>810</u>	<u>21,389</u>	<u>1,015</u>	<u>-</u>	<u>25,491</u>
Deferred Inflows of Resources							
Property Taxes	-	-	56,350	-	-	-	56,350
Fund Balances							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	323,469	323,469
Restricted For:							
Parks and Recreation	222,603	-	-	-	-	-	222,603
Assigned For:							
Economic Development	-	452,360	116,293	463,331	69,424	-	1,101,408
Total Fund Balances	<u>222,603</u>	<u>452,360</u>	<u>116,293</u>	<u>463,331</u>	<u>69,424</u>	<u>323,469</u>	<u>1,647,480</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 222,603</u>	<u>\$ 454,637</u>	<u>\$ 173,453</u>	<u>\$ 484,720</u>	<u>\$ 70,439</u>	<u>\$ 323,469</u>	<u>\$ 1,729,321</u>

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

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Revenues							
Taxes	\$ -	\$ 251,012	\$ 44,119	\$ 241,648	\$ 128,865	\$ -	\$ 665,644
Intergovernmental	168,597	52,453	-	-	-	-	221,050
Charges for Services	-	1,555	-	151,726	-	16,850	170,131
Investment Income	12,553	16,745	4,246	27,360	8,600	12,713	82,217
Other	-	5,000	-	31,835	-	-	36,835
Total Revenues	<u>181,150</u>	<u>326,765</u>	<u>48,365</u>	<u>452,569</u>	<u>137,465</u>	<u>29,563</u>	<u>1,175,877</u>
Expenditures							
Economic Development	-	227,191	43,198	624,903	23,299	-	918,591
Capital Outlay	137,493	24,030	4,294	27,526	-	-	193,343
Total Expenditures	<u>137,493</u>	<u>251,221</u>	<u>47,492</u>	<u>652,429</u>	<u>23,299</u>	<u>-</u>	<u>1,111,934</u>
Excess of Revenues Over (Under) Expenditures	43,657	75,544	873	(199,860)	114,166	29,563	63,943
Other Financing Sources (Uses)							
Transfers In	-	60,000	7,000	-	-	-	67,000
Transfers Out	(60,000)	(65,600)	-	-	(180,000)	-	(305,600)
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(5,600)</u>	<u>7,000</u>	<u>-</u>	<u>(180,000)</u>	<u>-</u>	<u>(238,600)</u>
Net Change in Fund Balances	(16,343)	69,944	7,873	(199,860)	(65,834)	29,563	(174,657)
Fund Balances, Beginning 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>
Fund Balances, End of year	<u>\$ 222,603</u>	<u>\$ 452,360</u>	<u>\$ 116,293</u>	<u>\$ 463,331</u>	<u>\$ 69,424</u>	<u>\$ 323,469</u>	<u>\$ 1,647,480</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 90,000	\$ 110,000	\$ 168,597	\$ 58,597
Investment Income	3,026	3,026	12,553	9,527
Total Revenues	<u>93,026</u>	<u>113,026</u>	<u>181,150</u>	<u>68,124</u>
Expenditures				
Capital Outlays	-	153,000	137,493	15,507
Excess Revenues Over (Under) Expenditures	93,026	(39,974)	43,657	83,631
Other Financing Sources (Uses)				
Transfers Out	(40,000)	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net Change in Fund Balance	53,026	(99,974)	(16,343)	83,631
Fund Balance, Beginning of year	<u>197,458</u>	<u>197,458</u>	<u>238,946</u>	<u>41,488</u>
Fund Balance, End of year	<u>\$ 250,484</u>	<u>\$ 97,484</u>	<u>\$ 222,603</u>	<u>\$ 125,119</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Visitor Improvement Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 154,879	\$ 154,879	\$ 251,012	\$ 96,133
Charges for Services	-	-	1,555	1,555
Intergovernmental	215,000	215,000	57,453	(157,547)
Investment Income	1,237	1,237	16,745	15,508
	<u>371,116</u>	<u>371,116</u>	<u>326,765</u>	<u>(44,351)</u>
Total Revenues				
	<u>371,116</u>	<u>371,116</u>	<u>326,765</u>	<u>(44,351)</u>
Expenditures				
Economic Development	329,910	379,910	227,191	152,719
Capital Outlays	-	24,000	24,030	(30)
	<u>329,910</u>	<u>403,910</u>	<u>251,221</u>	<u>152,689</u>
Total Expenditures				
	<u>329,910</u>	<u>403,910</u>	<u>251,221</u>	<u>152,689</u>
Excess Revenues Over (Under) Expenditures	41,206	(32,794)	75,544	108,338
Other Financing Sources (Uses)				
Transfers In	40,000	60,000	60,000	-
Transfers Out	(65,600)	(65,600)	(65,600)	-
	<u>(25,600)</u>	<u>(5,600)</u>	<u>(5,600)</u>	<u>-</u>
Total Other Financing Sources (Uses)				
	<u>(25,600)</u>	<u>(5,600)</u>	<u>(5,600)</u>	<u>-</u>
Net Change in Fund Balance	15,606	(38,394)	69,944	108,338
Fund Balance, Beginning of year	<u>199,702</u>	<u>199,702</u>	<u>382,416</u>	<u>182,714</u>
Fund Balance, End of year	<u>\$ 215,308</u>	<u>\$ 161,308</u>	<u>\$ 452,360</u>	<u>\$ 291,052</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Downtown Development Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 49,755	\$ 44,119	\$ (5,636)
Intergovernmental	1,500	-	(1,500)
Investment Income	741	4,246	3,505
Total Revenues	51,996	48,365	(3,631)
Expenditures			
Economic Development	56,733	43,198	13,535
Capital Outlay	78,000	4,294	73,706
Total Expenditures	134,733	47,492	87,241
Excess of Revenues Over (Under) Expenditures	(82,737)	873	83,610
Other Financing Sources (Uses)			
Transfers In	30,000	7,000	(23,000)
Total Other Financing Sources (Uses)	30,000	7,000	(23,000)
Net Change in Fund Balance	(52,737)	7,873	60,610
Fund Balance, Beginning of year	107,539	108,420	881
Fund Balance, End of year	\$ 54,802	\$ 116,293	\$ 61,491

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Tourism and Industry Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 259,561	\$ 259,561	\$ 241,648	\$ (17,913)
Charges for Services	153,000	153,000	151,726	(1,274)
Investment Income	5,188	5,188	27,360	22,172
Other	-	-	31,835	31,835
Total Revenues	<u>417,749</u>	<u>417,749</u>	<u>452,569</u>	<u>34,820</u>
Expenditures				
Economic Development	577,710	667,710	624,903	42,807
Capital Outlay	<u>130,000</u>	<u>130,000</u>	<u>27,526</u>	<u>102,474</u>
Total Expenditures	<u>707,710</u>	<u>797,710</u>	<u>652,429</u>	<u>145,281</u>
Net Change in Fund Balance	(289,961)	(379,961)	(199,860)	180,101
Fund Balance, Beginning of year	<u>732,803</u>	<u>732,803</u>	<u>663,191</u>	<u>(69,612)</u>
Fund Balance, End of year	<u>\$ 442,842</u>	<u>\$ 352,842</u>	<u>\$ 463,331</u>	<u>\$ 110,489</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Urban Renewal Authority Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 150,000	\$ 150,000	\$ 128,865	\$ (21,135)
Investment Income	202	202	8,600	8,398
Total Revenues	<u>150,202</u>	<u>150,202</u>	<u>137,465</u>	<u>(12,737)</u>
Expenditures				
Water Utility	17,500	17,500	23,299	(5,799)
Total Expenditures	<u>17,500</u>	<u>17,500</u>	<u>23,299</u>	<u>(5,799)</u>
Excess of Revenues Over (Under) Expenditures	132,702	132,702	114,166	(18,536)
Other Financing Sources (Uses)				
Transfers Out	(23,000)	(203,000)	(180,000)	23,000
Total Other Financing Sources (Uses)	<u>(23,000)</u>	<u>(203,000)</u>	<u>(180,000)</u>	<u>23,000</u>
Net Change in Fund Balance	109,702	(70,298)	(65,834)	(18,536)
Fund Balance, Beginning of year	<u>117,607</u>	<u>117,607</u>	<u>135,258</u>	<u>17,651</u>
Fund Balance, End of year	<u>\$ 227,309</u>	<u>\$ 47,309</u>	<u>\$ 69,424</u>	<u>\$ 22,115</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Perpetual Care Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 10,000	\$ 16,850	\$ 6,850
Investment Income	1,681	12,713	11,032
Total Revenues	<u>11,681</u>	<u>29,563</u>	<u>17,882</u>
Expenditures			
Perpetual Care	<u>5,000</u>	-	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	6,681	29,563	22,882
Fund Balance, Beginning of year	<u>293,629</u>	<u>293,906</u>	<u>277</u>
Fund Balance, End of year	<u>\$ 300,310</u>	<u>\$ 323,469</u>	<u>\$ 23,159</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 4,013,813	\$ 3,539,423	\$ (474,390)
Sale of Meters	20,000	21,743	1,743
Other - Operating	430,500	382,357	(48,143)
Sales and Use Taxes	2,347,698	2,663,426	315,728
Investment Income	131,030	699,920	568,890
Other - Nonoperating	10,000	(164,192)	(174,192)
System Improvement Fees	150,000	315,464	165,464
Cash in Lieu of Fees	-	19,155	19,155
Total Revenues	7,103,041	7,477,296	374,255
Expenditures			
Personal Services	1,050,736	865,094	185,642
Supplies	102,800	18,024	84,776
Purchased Services	1,176,000	772,477	403,523
Other Expenses	2,200	6,493	(4,293)
Management Fees	152,779	152,779	-
Fleet Maintenance	39,078	39,078	-
Information Technology Maintenance	110,220	110,220	-
Small Equipment Purchases	20,328	431,745	(411,417)
Capital Outlays	3,625,000	1,927,175	1,697,825
Interest Expense	418,958	342,653	76,305
Debt Principal Payments	1,363,490	1,363,490	-
Total Expenditures	8,061,589	6,029,228	2,032,361
Change in Net Position - Budgetary Basis	\$ (958,548)	1,448,068	\$ 2,406,616
Adjustments to GAAP Basis			
Capital Outlay		1,898,589	
Debt Principal Payments		1,363,490	
Depreciation		(1,624,259)	
Change in Net Position		3,085,888	
Fund Balance, Beginning of year		52,399,516	
Fund Balance, End of year		\$ 55,485,404	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Wastewater Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 4,205,945	\$ 4,205,945	\$ 4,233,873	\$ 27,928
Investment Income	18,782	18,782	319,358	300,576
Other - Nonoperating	210,000	210,000	1,648	(208,352)
System Improvement Fees	150,000	150,000	252,600	102,600
Total Revenues	4,584,727	4,584,727	4,807,479	222,752
Expenditures				
Personal Services	749,899	749,899	582,810	167,089
Supplies	232,184	232,184	244,554	(12,370)
Purchased Services	959,000	959,000	449,826	509,174
Other Expense	-	-	63	(63)
Management Fees	93,795	93,795	93,795	-
Fleet Maintenance	30,060	30,060	30,060	-
Information Technology Maintenance	62,506	62,506	62,506	-
Small Equipment Purchase	-	-	106,346	(106,346)
Capital Outlays	310,000	460,000	133,502	326,498
Interest Expense	248,257	248,257	204,432	43,825
Debt Principal Payments	996,088	996,088	996,088	-
Total Expenditures	3,681,789	3,831,789	2,903,982	927,807
Change in Net Position - Budgetary Basis	\$ 902,938	\$ 752,938	1,903,497	\$ 1,150,559
Adjustments to GAAP Basis				
Capital Outlay			133,502	
Debt Principal Payments			996,088	
Depreciation			(1,076,463)	
Change in Net Position			1,956,624	
Fund Balance, Beginning of year			24,366,987	
Fund Balance, End of year			\$ 26,323,611	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Sanitation Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 817,000	\$ 817,000	\$ 858,675	\$ 41,675
Other - Operating	-	-	31,333	31,333
Investment Income	1,177	1,177	7,978	6,801
Total Revenues	<u>818,177</u>	<u>818,177</u>	<u>897,986</u>	<u>79,809</u>
Expenditures				
Personal Services	16,300	16,300	13,253	3,047
Purchased Services	813,600	833,600	792,094	41,506
Other Expenses	-	-	142	(142)
Management Fees	32,903	32,903	32,903	-
Information Technology Maintenance	1,431	1,431	1,431	-
Total Expenditures	<u>864,234</u>	<u>884,234</u>	<u>839,823</u>	<u>44,411</u>
Revenues Over (Under) Expenditures	(46,057)	(66,057)	58,163	124,220
Transfers				
Transfers Out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Change in Net Position - Budgetary Basis	<u>\$ (48,057)</u>	<u>\$ (68,057)</u>	<u>56,163</u>	<u>\$ 124,220</u>
Change in Net Position			56,163	
Fund Balance, Beginning of year			<u>179,058</u>	
Fund Balance, End of year			<u>\$ 235,221</u>	

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): 12/23

This Information From The Records Of: City of Rifle, Colorado	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:	\$ 1,922,489.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 199,829.00
2. General fund appropriations	\$ 3,524,749.00	b. Snow and ice removal	\$ 39,921.00
3. Other local imposts (from page 2)	\$ 2,395,078.00	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 359,740.00	d. Total (a. through c.)	\$ 239,750.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 270,048.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 1,463,770.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 6,996,397.00
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)	\$ 6,279,567.00	b. Redemption	\$ -
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 524,762.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 6,804,329.00	b. Redemption	\$ -
		c. Total (a. + b.)	\$ -
		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)	\$ 6,996,397.00

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
	\$ (3,358,504.00)	\$ 6,804,329.00	\$ 6,996,397.00	\$ (3,550,572.00)	\$ -

Notes and Comments:

No Notes or Comments

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
 12/23

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	\$ 260,274.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 99,466.00
1. Sales Taxes	\$ 1,775,617.00	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ 158,172.00	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 461,289.00	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 2,395,078.00	h. Other	\$ -
c. Total (a. + b.)	\$ 2,395,078.00	i. Total (a. through h.)	\$ 359,740.00
<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.)	\$ 333,656.00	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	\$ 41,106.00	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ 150,000.00	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal ARPA	\$ -
f. Total (a. through e.)	\$ 191,106.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 524,762.00	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: