

City of Rifle, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024



City of Rifle, Colorado

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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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rifle, Colorado (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund inform of the City as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, 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.



Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The supplementary information, such as the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2025 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
July 24, 2025



City of Rifle, Colorado

Management’s Discussion and Analysis

December 31, 2024

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, 2024.

FINANCIAL HIGHLIGHTS

- The assets of the City of Rifle exceeded its liabilities at the close of 2024 by \$175,171,282 (net position). Of this amount, \$116,168,154 was categorized as net investment in capital assets, \$3,309,118 was restricted, and \$55,694,010 was unrestricted and can be used to meet the government’s ongoing obligations.
- Total net position across the entire entity increased by \$12,756,767 or 7.85%.
- The General fund unassigned fund balance on December 31, 2024 was \$12,356,778; this equates to 90.49% of 2024 total general fund expenditures.
- The business-type activities net position increased \$5,394,374 to \$87,437,746 during the year. The Water Fund increased \$3,696,775; The Sewer Fund increased \$1,656,549; and the Sanitation Fund increased \$41,050.

OVERVIEW OF REPORT

The following narrative is intended to serve as an introduction to the City of Rifle’s basic financial statements. The City’s basic financial statements are comprised of 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 and a compliance section in addition to the basic financial statements.

Government-Wide Financial Statements

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

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

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

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

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.

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 37-45.

Proprietary Funds

The City of Rifle maintains two different types of proprietary funds: Enterprise and Internal Service funds.

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Rifle uses two internal service funds to account for its fleet maintenance and information technology operations. Because most of these services predominantly benefit the government 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 46-48.

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 13-32 of this report.

Required Supplementary 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 on pages 33-48.

Compliance Section

Lastly, this report also presents certain information related to compliance matters concerning the City of Rifle. This information is presented on pages 54-59.

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 2024 by \$175,171,282.

The largest portion of the City's net position (66.32%) 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.

Net Position

The following table shows the City's net position for 2024 as compared to 2023.

STATEMENT OF NET POSITION December 31, 2024 and 2023

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 32,265,552	\$ 30,947,582	\$ 30,570,394	\$ 27,151,834	\$ 62,835,946	\$ 58,099,416
Capital assets (net)	62,748,537	58,922,555	78,873,181	79,221,524	141,621,718	138,144,079
Total assets	<u>95,014,089</u>	<u>89,870,137</u>	<u>109,443,575</u>	<u>106,373,358</u>	<u>204,457,664</u>	<u>196,243,495</u>
Other liabilities	1,429,701	1,877,906	884,791	813,195	2,314,492	2,691,101
Long-term liabilities	4,864,159	4,368,803	21,051,141	23,446,030	25,915,300	27,814,833
Total liabilities	<u>6,293,860</u>	<u>6,246,709</u>	<u>21,935,932</u>	<u>24,259,225</u>	<u>28,229,792</u>	<u>30,505,934</u>
Deferred Inflows:						
Property Taxes/Tap Fees	986,693	3,264,591	69,897	69,897	1,056,590	3,334,488
Net position:						
Invested in capital assets net of related debt	58,405,168	55,073,802	57,762,986	55,641,380	116,168,154	110,715,182
Restricted For:						
for Emergencies	1,021,537	1,021,537	182,670	205,000	1,204,207	1,226,537
for Parks and Recreation	658,002	487,911	-	-	658,002	487,911
for Debt Service and O&M Reserves	180,698	180,698	1,266,211	1,490,197	1,446,909	1,670,895
Unrestricted	27,468,131	23,594,889	28,225,879	24,707,659	55,694,010	48,302,548
Total Net Position	<u>\$ 87,733,536</u>	<u>\$ 80,358,837</u>	<u>\$ 87,437,746</u>	<u>\$ 82,044,236</u>	<u>\$ 175,171,282</u>	<u>\$ 162,403,073</u>

An additional portion of the City's net position balance (1.89%) represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance of \$55,694,010 (31.79%) 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, 2024, non-spendable and restricted net position in the governmental activities included the following: Debt Service (\$180,698), TABOR Emergencies (\$1,021,537), and Parks and Recreation (\$658,002). The Business-Type Activities includes restricted net position of the following: Debt Service and O&M reserves (\$1,266,211), and TABOR Emergencies (\$182,670). The remaining balance of net position (unrestricted net position) totals \$55,694,010. These assets may be used to meet the City’s ongoing obligations to citizens and creditors.

Changes in Net Position

The following summarizes the Statement of Revenues, Expenditures, and Changes in Fund Balance (as on p.5 of the report), with a comparison to the prior year.

SUMMARY OF CHANGES IN NET POSITION						
For Years Ended December 31, 2024 and 2023						
	Governmental Activities		Business Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
REVENUES						
Program Revenues:						
Charges for services	\$ 2,492,000	\$ 1,873,763	\$ 9,276,389	\$ 9,240,933	\$ 11,768,389	\$ 11,114,696
Operating grants and contributions	4,624,516	\$ 2,797,641	-	-	4,624,516	2,797,641
Capital grants and contributions	3,286,414	\$ 329,014	-	-	3,286,414	329,014
General Revenues:						
Property taxes	1,101,200	882,940	-	-	1,101,200	882,940
Sales and use taxes	13,651,005	13,103,291	2,813,602	2,694,759	16,464,607	15,798,050
Other taxes	662,820	775,152	-	-	662,820	775,152
Investment earnings	1,293,544	1,150,755	1,125,559	1,027,256	2,419,103	2,178,011
Other revenues	288,774	611,205	513,491	219,813	802,265	831,018
Total revenues	<u>\$27,400,273</u>	<u>\$21,523,761</u>	<u>\$ 13,729,041</u>	<u>\$ 13,182,761</u>	<u>\$ 41,129,314</u>	<u>\$ 34,706,522</u>
EXPENSES						
General government	6,589,198	5,136,556	-	-	6,589,198	5,136,556
Public Safety	4,010,890	3,455,350	-	-	4,010,890	3,455,350
Public Works	4,191,041	5,917,655	-	-	4,191,041	5,917,655
Cemetery	4,673	4,673	-	-	4,673	4,673
Parks and recreation	4,013,968	3,730,018	-	-	4,013,968	3,730,018
Economic development and assistance	688,690	904,061	-	-	688,690	904,061
Interest Expense	150,279	129,372	-	-	150,279	129,372
Water operations	-	-	4,480,850	4,391,408	4,480,850	4,391,408
Sewer operations	-	-	3,359,014	2,850,855	3,359,014	2,850,855
Sanitation operations	-	-	883,944	839,823	883,944	839,823
Total expenses	<u>\$ 19,648,739</u>	<u>\$ 19,277,685</u>	<u>\$ 8,723,808</u>	<u>\$ 8,082,086</u>	<u>\$ 28,372,547</u>	<u>\$ 27,359,771</u>
Increase in net assets before transfers	7,751,534	2,246,076	5,005,233	5,100,675	12,756,767	7,346,751
Transfers	(389,141)	2,000	389,141	(2,000)	-	-
Increase in net assets	<u>\$ 7,362,393</u>	<u>\$ 2,248,076</u>	<u>\$ 5,394,374</u>	<u>\$ 5,098,675</u>	<u>\$ 12,756,767</u>	<u>\$ 7,346,751</u>
Restatement	-	12,306	-	(864)	-	11,442
Net Position, Beginning of year	<u>80,371,143</u>	<u>78,110,761</u>	<u>82,043,372</u>	<u>76,945,561</u>	<u>162,414,515</u>	<u>155,056,322</u>
Net Position, end of year	<u>\$87,733,536</u>	<u>\$80,371,143</u>	<u>\$87,437,746</u>	<u>\$ 82,043,372</u>	<u>\$ 175,171,282</u>	<u>\$ 162,414,515</u>

ANALYSIS OF THE CITY'S FUND BALANCE

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

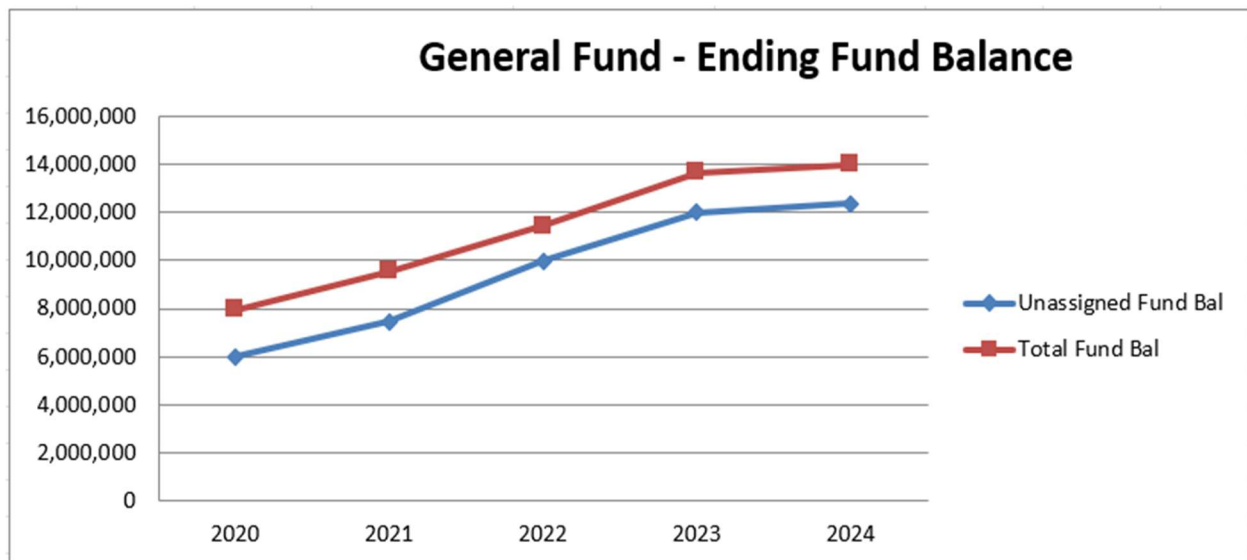
Governmental Funds

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.

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 \$6,776,380 acquired in 2024 (page 9) are not reflected in the Statement of Activities.

At year-end 2024, governmental funds as reported on the Balance Sheet – Governmental Funds (page 6) reported a combined fund balance of \$29,412,591, an increase of \$3,847,925 from the prior year. The General Fund balance increased \$346,075 or 2.53%. The Street Improvement Fund balance increased \$2,621,039 or 48.42%. The Parks and Recreation Fund balance increased \$427,664 or 14.10%. The Capital Improvement Fund balance increased \$122,195.

The General Fund unassigned fund balance on December 31, 2024 was \$12,356,778 or 90.49% of 2024 annual expenditures. Unassigned fund balance increased \$338,240. The following chart provides 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 by \$5,394,374 to \$87,437,746. Investment in capital assets, net of related debt represents 66.06% of total net position.

ENTERPRISE FUND NET POSITION December 31, 2024 and 2023

	Water		Wastewater		Sanitation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Investment in capital assets net of related debt	\$ 39,709,564	\$ 38,121,777	\$ 18,053,422	\$ 17,519,603	\$ -	\$ -	\$ 57,762,986	55,641,380
Restricted:								
For Emergencies	182,670	205,000	-	-	-	-	182,670	205,000
For O&M Reserve	716,460	663,535	549,751	826,662	-	-	1,266,211	1,490,197
Unrestricted	<u>18,572,777</u>	<u>16,494,384</u>	<u>9,376,831</u>	<u>7,977,190</u>	<u>276,271</u>	<u>235,221</u>	<u>28,225,879</u>	<u>24,706,795</u>
Total net position	<u>\$ 59,181,471</u>	<u>\$ 55,484,696</u>	<u>\$ 27,980,004</u>	<u>\$ 26,323,455</u>	<u>\$ 276,271</u>	<u>\$ 235,221</u>	<u>\$ 87,437,746</u>	<u>\$ 82,043,372</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 the 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 2024, the Water fund increased Net Position by \$3,696,775. Wastewater increased by \$1,656,549. The Sanitation fund incurred a net increase of \$41,050.

Total unrestricted net position increased \$3,519,084 during 2024. The Water Fund's unrestricted net position increased by \$2,078,393; Wastewater Fund increased \$1,399,641; and the Sanitation Fund increased by \$41,050.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund revenues increased by \$329,160 or 2.41% from 2023 and did not meet budget by \$1,139,742 (-7.53%) Expenditures increased \$2,165,714 from 2023 or 18.85% and were under budget by \$3,494,985, or 20.38%. 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 2024, the city had \$141,621,718 invested in capital assets net of depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and trails. Total investment in capital assets for the current year increased by 1.69%.

CAPITAL ASSETS AT YEAR-END (Net of Depreciation) As of December 31, 2024 and 2023						
	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land & Rights	\$ 4,541,719	\$ 4,365,822	\$ 2,968,062	\$ 2,636,896	\$ 7,509,781	\$ 7,002,718
Construction in Process	2,908,114	2,173,563	1,322,967	2,674,029	4,231,081	4,847,592
Buildings	10,017,772	9,319,487	43,519,121	45,352,155	53,536,893	54,671,642
Improvements	41,745,165	40,991,485	29,575,420	27,251,295	71,320,585	68,242,780
Equipment	1,977,066	1,067,519	1,365,013	1,307,149	3,342,079	2,374,668
Int Svc Equipment & Vehicles	855,771	1,004,679	-	-	855,771	1,004,679
Lease Assets	556,591	774,262	47,267	69,139	603,858	843,401
Subscription Assets	146,339	182,877	75,331	91,474	221,670	274,351
Total	<u>\$ 62,748,537</u>	<u>\$ 59,879,694</u>	<u>\$ 78,873,181</u>	<u>\$ 79,382,137</u>	<u>\$ 141,621,718</u>	<u>\$ 139,261,831</u>

Debt Administration

At the end of 2024, the City of Rifle had a balance of \$25,294,462 outstanding in revenue bonds; revenue notes payable, notes payable, leases, and subscription arrangements, of which \$3,559,745 is a construction loan for the pool renovation. Footnote disclosure number 4 on page 23 provides additional information regarding this and other obligations. The City has no general obligation debt.

OUTSTANDING DEBT Years Ended December 31, 2024 and 2023						
	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds and notes payable	\$ -	\$ -	\$ 20,908,883	\$ 23,429,125	\$ 20,908,883	\$ 23,429,125
Construction Loan	3,559,745	3,725,255	-	-	3,559,745	3,725,255
Right-to-Use Leases	563,649	774,310	47,398	68,951	611,047	843,261
Subscription Arrangements	137,525	170,523	77,262	92,526	214,787	263,049
Total	<u>\$ 4,260,919</u>	<u>\$ 4,670,088</u>	<u>\$ 21,033,543</u>	<u>\$ 23,590,602</u>	<u>\$ 25,294,462</u>	<u>\$ 28,260,690</u>

OTHER ECONOMIC FACTORS

The City of Rifle continues to benefit from a stable and growing local economy, as evidenced by strong sales and use tax collections. In 2024, sales and use tax collections increased by 4.22% over the prior year, exceeding budget projections and strengthening reserves across major city funds. This growth followed an even stronger performance in 2023, when sales tax revenues rose by 7.26%, reflecting a robust recovery from pandemic-era slowdowns. These gains were supported by the City's conservative budgeting practices, which have helped maintain fiscal health despite broader economic uncertainties.

Inflationary pressures and the potential for national economic volatility continue to present challenges. In response, the City has maintained a fiscally conservative approach to budgeting, prioritizing the preservation of service levels while safeguarding financial sustainability. Strategic investment in critical infrastructure related to streets, water, and wastewater systems remains a key priority. Major capital projects, such as the Whiteriver intersection and Railroad Avenue 5th through 9th Rehabilitation project, were funded through a combination of grants and city reserves allowing the City of Rifle to avoid incurring additional liabilities such as general obligation debt or revenue bonds.

Rifle's population continues to increase. The local economy is anchored by key employment sectors such as retail, construction services, and health care, which collectively account for a significant portion of jobs. Reliance on extractive industries has decreased over time allowing the City to avoid revenue volatility tied to fluctuations in commodity prices and energy policy. Rifle continues to look towards the expansion of industrial development opportunities, enabling new growth in manufacturing and commercial sectors. These efforts support the City's broader strategy of diversifying its economic base beyond traditional energy and tourism-related industries.

Regional collaboration further strengthens Rifle's economic outlook. The City partners with the Rifle Regional Economic Development Corporation and the Colorado River Valley Economic Development Partnership to attract new businesses and support workforce development. Involvement with the Associated Governments of Northwest Colorado and participation in enterprise zone initiatives also position the City to capitalize on state and regional economic development programs.

In summary, Rifle's strong tax trends, conservative financial planning, and strategic investments provide a solid foundation for continued fiscal stability. Ongoing infrastructure improvements, energy diversification efforts, and population growth contribute to a cautiously optimistic outlook for the coming fiscal year and beyond.

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, 2024

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 29,903,898	\$ 28,914,907	\$ 58,818,805
Accounts Receivable	179,335	1,221,101	1,400,436
Accrued Interest Receivable	407	-	407
Taxes Receivable	1,344,909	273,129	1,618,038
Property Taxes Receivable	825,638	-	825,638
Inventory	11,365	160,260	171,625
Prepaid Expenses	-	997	997
Capital Assets, <i>Not Being Depreciated</i>	7,449,833	4,291,029	11,740,862
Capital Assets, <i>Net of Accumulated Depreciation</i>	55,298,704	74,582,152	129,880,856
	<u>\$ 95,014,089</u>	<u>\$ 109,443,575</u>	<u>\$ 204,457,664</u>
Liabilities			
Accounts Payable	\$ 604,947	\$ 506,999	\$ 1,111,946
Accrued Salaries	17,250	69,712	86,962
Accrued Liabilities	-	89,879	89,879
Accrued Interest Payable	4,577	207,361	211,938
Deposits	720,477	10,840	731,317
Retainage Payable	82,450	-	82,450
Noncurrent Liabilities			
Due Within One Year	476,737	2,509,419	2,986,156
Due in More Than One Year	4,387,422	18,541,722	22,929,144
	<u>6,293,860</u>	<u>21,935,932</u>	<u>28,229,792</u>
Deferred Inflows of Resources			
Property Taxes	986,693	-	986,693
Deferred Tap Fees	-	69,897	69,897
	<u>986,693</u>	<u>69,897</u>	<u>1,056,590</u>
Net Position			
Net Investment in Capital Assets	58,405,168	57,762,986	116,168,154
Restricted For:			
Emergencies	1,021,537	182,670	1,204,207
Debt Service	180,698	-	180,698
Parks and Recreation	658,002	-	658,002
Operations and Maintenance Reserve	-	1,266,211	1,266,211
Unrestricted	27,468,131	28,225,879	55,694,010
	<u>\$ 87,733,536</u>	<u>\$ 87,437,746</u>	<u>\$ 175,171,282</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Activities
For the Year Ended December 31, 2024

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	\$ 6,589,198	\$ 1,590,736	\$ 1,805,598	\$ 3,286,414	\$ 93,550	\$ -	\$ 93,550
Public Safety	4,010,890	23,032	294,004	-	(3,693,854)	-	(3,693,854)
Public Works	4,191,041	-	2,398,686	-	(1,792,355)	-	(1,792,355)
Cemetery	4,673	40,150	-	-	35,477	-	35,477
Parks and Recreation	4,013,968	604,340	-	-	(3,409,628)	-	(3,409,628)
Economic Development	688,690	233,742	126,228	-	(328,720)	-	(328,720)
Interest on Long-Term Debt	150,279	-	-	-	(150,279)	-	(150,279)
Total Government Activities	<u>19,648,739</u>	<u>2,492,000</u>	<u>4,624,516</u>	<u>3,286,414</u>	<u>(9,245,809)</u>	<u>-</u>	<u>(9,245,809)</u>
<i>Business-Type Activities</i>							
Water Utility	4,480,850	3,947,616	-	-	-	(533,234)	(533,234)
Wastewater Utility	3,359,014	4,431,712	-	-	-	1,072,698	1,072,698
Sanitation Operations	883,944	897,061	-	-	-	13,117	13,117
Total Business-Type Activities	<u>8,723,808</u>	<u>9,276,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,581</u>	<u>552,581</u>
Total Primary Government	<u>\$ 28,372,547</u>	<u>\$ 11,768,389</u>	<u>\$ 4,624,516</u>	<u>\$ 3,286,414</u>	<u>(9,245,809)</u>	<u>552,581</u>	<u>(8,693,228)</u>
General Revenues							
Property Taxes					1,054,748	-	1,054,748
Specific Ownership Taxes					46,452	-	46,452
Sales and Use Taxes					13,651,005	2,813,602	16,464,607
Franchise Taxes					442,512	-	442,512
Other Taxes					220,308	-	220,308
Grants and Contributions not Restricted to Specific Programs					46,292	-	46,292
Investment Income					1,293,544	1,213,799	2,507,343
Gain (Loss) on Disposal of Capital Assets					37,564	-	37,564
Other					204,918	425,251	630,169
Transfers					<u>(389,141)</u>	<u>389,141</u>	<u>-</u>
Total General Revenues					<u>16,608,202</u>	<u>4,841,793</u>	<u>21,449,995</u>
Change in Net Position							
Net Position, <i>Beginning of Year</i>					<u>80,371,143</u>	<u>82,043,372</u>	<u>162,414,515</u>
Net Position, <i>End of Year</i>					<u>\$ 87,733,536</u>	<u>\$ 87,437,746</u>	<u>\$ 175,171,282</u>

City of Rifle, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Assets						
Cash and Investments	\$ 14,249,558	\$ 8,099,442	\$ 3,133,000	\$ 1,937,002	\$ 1,966,757	\$ 29,385,759
Accounts Receivable	130,361	42,520	-	-	6,454	179,335
Accrued Interest Receivable	407	-	-	-	-	407
Taxes Receivable	761,849	182,086	364,172	-	36,802	1,344,909
Property Taxes Receivable	769,793	-	-	-	55,845	825,638
Total Assets	\$ 15,911,968	\$ 8,324,048	\$ 3,497,172	\$ 1,937,002	\$ 2,065,858	\$ 31,736,048
Liabilities						
Accounts Payable	\$ 260,321	\$ 207,622	\$ 35,229	\$ -	\$ 30,281	\$ 533,453
Retainage Payable	-	82,450	-	-	-	82,450
Unearned Revenue	161,055	-	384	-	-	161,439
Deposits	718,827	-	350	-	1,300	720,477
Total Liabilities	1,140,203	290,072	35,963	-	31,581	1,497,819
Deferred Inflows of Resources						
Property Taxes	769,793	-	-	-	55,845	825,638
Fund Balances						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	346,585	346,585
Restricted For:						
Emergencies	1,021,537	-	-	-	-	1,021,537
Debt Service	180,698	-	-	-	-	180,698
Parks and Recreation	292,037	-	-	-	365,965	658,002
Assigned For:						
Channel 10	45,293	-	-	-	-	45,293
Senior Center Capital and Meals	103,157	-	-	-	-	103,157
Police Expenditures	2,472	-	-	-	-	2,472
Economic Development	-	-	-	-	1,265,882	1,265,882
Street Improvement	-	8,033,976	-	-	-	8,033,976
Parks and Recreation	-	-	3,461,209	-	-	3,461,209
Capital Improvements	-	-	-	1,937,002	-	1,937,002
Unrestricted, Unassigned	12,356,778	-	-	-	-	12,356,778
Total Fund Balances	14,001,972	8,033,976	3,461,209	1,937,002	1,978,432	29,412,591
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,911,968	\$ 8,324,048	\$ 3,497,172	\$ 1,937,002	\$ 2,065,858	\$ 31,736,048

City of Rifle, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2024

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

Total Fund Balances of Governmental Funds	\$ 29,412,591
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	61,874,575
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	(3,559,745)
Right-to-use Leases	(545,248)
Subscription Arrangements	(137,525)
Accrued Interest	(4,172)
Accrued Compensated Absences	(603,240)
Internal Service Funds are blended into Governmental Activities	<u>1,296,300</u>
Total Net Position of Governmental Activities	<u>\$ 87,733,536</u>

City of Rifle, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 9,063,651	\$ 1,861,429	\$ 3,722,858	\$ -	\$ 767,087	\$ 15,415,025
Licenses and Permits	187,664	161,300	-	-	-	348,964
Intergovernmental	2,653,193	5,023,150	25,280	-	255,599	7,957,222
Charges for Services	1,190,906	1,060	571,451	-	248,802	2,012,219
Investment Income	742,901	248,121	125,905	84,772	82,175	1,283,874
Other	163,266	-	36,602	-	5,050	204,918
Total Revenues	<u>14,001,581</u>	<u>7,295,060</u>	<u>4,482,096</u>	<u>84,772</u>	<u>1,358,713</u>	<u>27,222,222</u>
Expenditures						
Current						
General Government	4,784,473	-	-	-	-	4,784,473
Public Safety	4,285,469	-	-	-	-	4,285,469
Public Works	2,047,883	163,620	-	-	-	2,211,503
Parks and Recreation	652,368	-	3,276,708	-	-	3,929,076
Economic Development	51	-	-	-	734,734	734,785
Capital Outlay	870,297	4,747,699	673,735	62,577	274,427	6,628,735
Debt Service						
Principal	121,615	-	165,509	-	-	287,124
Interest and Fiscal Charges	-	-	123,991	-	-	123,991
Total Expenditures	<u>12,762,156</u>	<u>4,911,319</u>	<u>4,239,943</u>	<u>62,577</u>	<u>1,009,161</u>	<u>22,985,156</u>
Revenues Over (Under) Expenditures	<u>1,239,425</u>	<u>2,383,741</u>	<u>242,153</u>	<u>22,195</u>	<u>349,552</u>	<u>4,237,066</u>
Other Financing Sources (Uses)						
Transfers In	-	262,176	185,511	100,000	7,000	554,687
Transfers Out	(893,350)	(24,878)	-	-	(25,600)	(943,828)
Total Other Financing Sources (Uses)	<u>(893,350)</u>	<u>237,298</u>	<u>185,511</u>	<u>100,000</u>	<u>(18,600)</u>	<u>(389,141)</u>
Net Change in Fund Balances	346,075	2,621,039	427,664	122,195	330,952	3,847,925
Fund Balances, Beginning 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>
Fund Balances, End of Year	<u>\$ 14,001,972</u>	<u>\$ 8,033,976</u>	<u>\$ 3,461,209</u>	<u>\$ 1,937,002</u>	<u>\$ 1,978,432</u>	<u>\$ 29,412,591</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, 2024

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

Net Change in Fund Balances of Governmental Funds	\$ 3,847,925
<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	6,776,380
Depreciation Expense	(3,746,830)
<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>	
Principal Payment of Long-term Debt	
Note Payable	165,510
Right-to-use Leases	198,849
Subscription Arrangements	32,998
Change in Accrued Interest	(4,172)
Change in Accrued Compensated Absences	40,308
<p>Internal Service Funds are blended into Governmental Activities:</p>	
Fleet Maintenance and Information Technology Funds, Change in Net Position	51,425
Change in Net Position of Governmental Activities	\$ 7,362,393

City of Rifle, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 19,046,466	\$ 9,655,821	\$ 212,620	\$ 28,914,907	\$ 518,139
Accounts Receivable	421,504	660,811	138,786	1,221,101	-
Taxes Receivable	273,129	-	-	273,129	-
Prepaid Expenses	-	499	498	997	-
Inventory	147,213	13,047	-	160,260	11,365
Total Current Assets	19,888,312	10,330,178	351,904	30,570,394	529,504
<i>Noncurrent Assets</i>					
<i>Capital Assets</i>					
<i>Not Being Depreciated</i>	3,353,574	937,455	-	4,291,029	-
<i>Net of Accumulated Depreciation</i>	52,713,401	21,868,751	-	74,582,152	873,962
Total Noncurrent Assets	56,066,975	22,806,206	-	78,873,181	873,962
Total Assets	\$ 75,955,287	\$ 33,136,384	\$ 351,904	\$ 109,443,575	\$ 1,403,466
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	\$ 200,083	\$ 154,714	\$ 75,550	\$ 430,347	\$ 71,494
Retainage Payable	75,017	1,635	-	76,652	-
Accrued Liabilities	42,671	116,837	83	159,591	17,250
Accrued Interest Payable	123,244	84,117	-	207,361	21
Deposits	10,840	-	-	10,840	-
Leases and Subscription Agreements - current Portion	29,232	8,107	-	37,339	11,909
Compensated Absences	880	-	-	880	-
Loan Payable - Current Portion	1,166,816	1,064,384	-	2,231,200	-
Certificates of Participation - Current Portion	240,000	-	-	240,000	-
Total Current Liabilities	1,888,783	1,429,794	75,633	3,394,210	100,674
<i>Noncurrent Liabilities</i>					
Leases and Subscription Agreements	82,559	4,762	-	87,321	6,492
Compensated Absences	16,718	-	-	16,718	-
Notes Payable	11,883,787	3,673,896	-	15,557,683	-
Certificates of Participation	2,880,000	-	-	2,880,000	-
Total Noncurrent Liabilities	14,863,064	3,678,658	-	18,541,722	6,492
Total Liabilities	16,751,847	5,108,452	75,633	21,935,932	107,166
Deferred Inflows of Resources					
Deferred Tap Fees	21,969	47,928	-	69,897	-
Net Position					
Net Investment in Capital Assets	39,709,564	18,053,422	-	57,762,986	855,561
Restricted for:					
Emergencies	182,670	-	-	182,670	-
Operations and Maintenance Reserve	716,460	549,751	-	1,266,211	-
Unrestricted	18,572,777	9,376,831	276,271	28,225,879	440,739
Total Net Position	\$ 59,181,471	\$ 27,980,004	\$ 276,271	\$ 87,437,746	\$ 1,296,300

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, 2024

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Total	Internal Service Funds
Operating Revenues					
Charges for Services	\$ 3,563,710	\$ 4,158,563	\$ 897,061	\$ 8,619,334	\$ 1,932,387
Sale of Materials	32,638	-	-	32,638	-
Other	419,388	-	-	419,388	-
Total Operating Revenues	<u>4,015,736</u>	<u>4,158,563</u>	<u>897,061</u>	<u>9,071,360</u>	<u>1,932,387</u>
Operating Expenses					
Personal Services	942,151	606,824	14,753	1,563,728	597,686
Supplies	153,577	178,928	-	332,505	260,216
Purchased Services	977,330	1,104,476	831,443	2,913,249	593,001
Other Expenses	13,478	247	-	13,725	-
Management Fees	168,057	103,174	36,194	307,425	-
Fleet Maintenance	47,606	35,004	-	82,610	5,601
Information Technology Maintenance	127,410	57,490	1,554	186,454	12,949
Small Equipment Purchases	10,302	0	-	10,302	234,496
Depreciation and Amortization	1,716,830	1,097,357	-	2,814,187	223,975
Total Operating Expenses	<u>4,156,741</u>	<u>3,183,500</u>	<u>883,944</u>	<u>8,224,185</u>	<u>1,927,924</u>
Operating Income (Loss)	<u>(141,005)</u>	<u>975,063</u>	<u>13,117</u>	<u>847,175</u>	<u>4,463</u>
Nonoperating Revenues (Expenses)					
Sales and Use Taxes	2,792,144	-	21,458	2,813,602	-
Investment Income	806,574	398,750	8,475	1,213,799	9,670
Other Revenues	5,863	-	-	5,863	-
Gain on Sale of Assets	-	-	-	-	37,564
Amortization of Bond Premiums	69,258	35,614	-	104,872	-
Interest and Fiscal Charges	(393,367)	(211,128)	-	(604,495)	(272)
Total Nonoperating Revenues (Expenses)	<u>3,280,472</u>	<u>223,236</u>	<u>29,933</u>	<u>3,533,641</u>	<u>46,962</u>
Income (Loss) Before Capital Contributions & Transfers	<u>3,139,467</u>	<u>1,198,299</u>	<u>43,050</u>	<u>4,380,816</u>	<u>51,425</u>
Capital Contributions					
System Improvement Fees	322,666	273,149	-	595,815	-
Cash in lieu of Water Rights	28,602	-	-	28,602	-
Total Capital Contributions	<u>351,268</u>	<u>273,149</u>	<u>-</u>	<u>624,417</u>	<u>-</u>
Transfers					
Transfers In	239,792	185,101	-	424,893	-
Transfers Out	(33,752)	-	(2,000)	(35,752)	-
Total Transfers	<u>206,040</u>	<u>185,101</u>	<u>(2,000)</u>	<u>389,141</u>	<u>-</u>
Change in Net Position	<u>3,696,775</u>	<u>1,656,549</u>	<u>41,050</u>	<u>5,394,374</u>	<u>51,425</u>
Net Position, Beginning of Year	<u>55,484,696</u>	<u>26,323,455</u>	<u>235,221</u>	<u>82,043,372</u>	<u>1,244,875</u>
Net Position, End of Year	<u>\$ 59,181,471</u>	<u>\$ 27,980,004</u>	<u>\$ 276,271</u>	<u>\$ 87,437,746</u>	<u>\$ 1,296,300</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 3,673,694	\$ 4,357,308	\$ 879,339	\$ 8,910,341	\$ 1,932,387
Cash Received from Others	419,388	-	-	419,388	-
Cash Payments to Vendors and Suppliers	(1,581,024)	(1,631,381)	(929,240)	(4,141,645)	(1,249,826)
Cash Payments to Employees	(647,191)	(423,035)	(10,258)	(1,080,484)	(418,605)
Net Cash Provided (Used) by Operating Activities	<u>1,864,867</u>	<u>2,302,892</u>	<u>(60,159)</u>	<u>4,107,600</u>	<u>263,956</u>
Cash Flows From Noncapital Financing Activities					
Other Revenues	5,863	-	-	5,863	-
Payments from (to) Other Funds	206,040	185,101	(2,000)	389,141	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>211,903</u>	<u>185,101</u>	<u>(2,000)</u>	<u>395,004</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities					
Purchases of Capital Assets	(1,745,289)	(559,942)	-	(2,305,231)	(63,268)
Proceeds from Sale of Assets	-	-	-	-	37,564
Proceeds From System Improvement Fees	322,666	273,149	-	595,815	-
Proceeds From Cash in Lieu of Fees	28,602	-	-	28,602	-
Proceeds From Sales and Use Taxes	2,519,015	-	21,458	2,540,473	-
Principal Payments on Debt	(1,416,411)	(1,035,776)	-	(2,452,187)	(11,812)
Interest Payments on Debt	(399,918)	(220,997)	-	(620,915)	(251)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(691,335)</u>	<u>(1,543,566)</u>	<u>21,458</u>	<u>(2,213,443)</u>	<u>(37,767)</u>
Cash Flows from Investing Activities					
Interest Received	806,574	398,750	8,475	1,213,799	9,670
Net Increase in Cash and Cash Equivalents	2,192,009	1,343,177	(32,226)	3,502,960	235,859
Cash and Cash Equivalents, <i>Beginning of Year</i>	16,854,457	8,312,644	244,846	25,411,947	282,280
Cash and Cash Equivalents, <i>End of Year</i>	<u>\$ 19,046,466</u>	<u>\$ 9,655,821</u>	<u>\$ 212,620</u>	<u>\$ 28,914,907</u>	<u>\$ 518,139</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ (141,005)	\$ 975,063	\$ 13,117	\$ 847,175	\$ 4,463
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,716,830	1,097,357	-	2,814,187	223,975
Changes in Asset and Liabilities					
Accounts Receivable	77,346	198,745	(17,722)	258,369	-
Inventory	97,340	1,820	-	99,160	1,882
Accounts Payable	180,002	20,379	(55,611)	144,770	32,768
Retainage Payable	(74,367)	-	-	(74,367)	-
Accrued Liabilities	8,721	9,528	57	18,306	868
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,864,867</u>	<u>\$ 2,302,892</u>	<u>\$ (60,159)</u>	<u>\$ 4,107,600</u>	<u>\$ 263,956</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Rifle, Colorado (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, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

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

Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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

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

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

Additionally, the City reports the following major proprietary funds:

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

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

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

Assets, Liabilities and Net Position/Fund Balances

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

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

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

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

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year. In addition, grants are 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.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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 23, 2025, the date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2024, follows:

Petty Cash	\$ 2,536
Cash Deposits	1,402,119
Investments	56,895,839
Custodial	<u>518,311</u>
Total	<u>\$ 58,818,805</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, 2024, the City had bank deposits of \$3,079,564 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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

- 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, 2024, the City had the following investments:

	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5 Years	Total
U.S. Agency Bonds	AA+	\$ 6,387,565	\$ -	\$ 6,387,565
U.S. Treasury Securities	AA+	2,834,369	-	2,834,369
Certificates of Deposit	n/a	996,925	-	996,925
Money Market Funds	n/a	18,344,774	-	18,344,774
Local Government Investment Pools	AAAm	28,332,206	-	28,332,206
Total		\$ 56,895,839	\$ -	\$ 56,895,839

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, 2024, 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.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

	<u>Rating</u>	<u>Total</u>
U.S. Treasury Securities		
Federal Home Loan	AA+	7.9%
Federal Home Loan Bank Bond	AA+	3.3%
U.S. Treasury Securities		
U.S. Treasury Note	AA+	5.0%
Certificates of Deposit	N/A	1.8%
Money Market Funds		
Public Fund Money Market	AAmmf	24.9%
Charles Schwab	AAmmf	7.3%
Local Government Investment Pools		
COLOTRUST Prime	AAAm*	22.9%
CSAFE	AAmmf	26.9%

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, 2024, the City's investments in the following represented more than 5% of the City's total investments.

Local Government Investment Pools - At December 31, 2024, the City had \$12,376,115 and \$14,501,589 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 3: Capital Assets

Capital asset Governmental activity for the year ended December 31, 2024, is summarized below:

	Balance 12/31/23	Additions	Transfer	Deletions	Balance 12/31/24
Governmental Activities					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$ 4,365,822	\$ 175,897	\$ -	\$ -	\$ 4,541,719
Construction in Progress	<u>2,173,563</u>	<u>2,815,887</u>	<u>(2,081,336)</u>	<u>-</u>	<u>2,908,114</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>6,539,385</u>	<u>2,991,784</u>	<u>(2,081,336)</u>	<u>-</u>	<u>7,449,833</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings	18,064,271	-	1,178,670	-	19,242,941
Improvements	91,413,669	2,617,234	902,666	-	94,933,569
Equipment	4,458,878	1,167,362	-	(17,115)	5,609,125
Internal Service - Equipment	3,133,290	63,267	-	(227,062)	2,969,495
Lease Assets					
Equipment	965,739	-	-	-	965,739
Internal Service - Equipment	53,588	-	-	-	53,588
Subscription Assets	216,994	-	-	-	216,994
Total Capital Assets, <i>Being Depreciated</i>	<u>118,306,429</u>	<u>3,847,863</u>	<u>2,081,336</u>	<u>(244,177)</u>	<u>123,991,451</u>
<i>Less Accumulated Depreciation:</i>					
Buildings	(8,744,784)	(480,385)	-	-	(9,225,169)
Improvements	(50,422,184)	(2,766,220)	-	-	(53,188,404)
Equipment	(3,391,359)	(257,815)	-	17,115	(3,632,059)
Internal Service - Equipment	(2,128,611)	(212,175)	-	227,062	(2,113,724)
Lease Assets					
Equipment	(221,467)	(205,872)	-	-	(427,339)
Internal Service - Equipment	(23,598)	(11,799)	-	-	(35,397)
Subscription Assets	(34,117)	(36,538)	-	-	(70,655)
Total Accumulated Depreciation	<u>(64,966,120)</u>	<u>(3,970,804)</u>	<u>-</u>	<u>244,177</u>	<u>(68,692,747)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>53,340,309</u>	<u>(122,941)</u>	<u>2,081,336</u>	<u>-</u>	<u>55,298,704</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 59,879,694</u>	<u>\$ 2,868,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,748,537</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 3: Capital Assets (Continued)

Capital asset Business-Type activity for the year ended December 31, 2024, is summarized below:

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Business-Type Activities					
<i>Capital Assets, Not Being Depreciated:</i>					
Land and improvements	\$ 1,985,544	\$ 331,166	\$ -	\$ -	\$ 2,316,710
Water Rights	651,352	-	-	-	651,352
Construction in Progress	2,674,029	1,421,363	(2,772,425)	-	1,322,967
Total Capital Assets, Not Being Depreciated	5,310,925	1,752,529	(2,772,425)	-	4,291,029
<i>Capital Assets, Being Depreciated:</i>					
Buildings	69,405,534	-	-	-	69,405,534
Improvements	42,662,846	376,158	2,772,425	-	45,811,429
Equipment	3,216,615	176,544	-	-	3,393,159
Lease Assets					
Equipment	101,636	-	-	-	101,636
Subscription Assets	107,617	-	-	-	107,617
Total Capital Assets, Being Depreciated	115,494,248	552,702	2,772,425	-	118,819,375
<i>Less Accumulated Depreciation:</i>					
Buildings	(24,053,380)	(1,833,033)	-	-	(25,886,413)
Improvements	(15,411,551)	(824,458)	-	-	(16,236,009)
Equipment	(1,909,465)	(118,681)	-	-	(2,028,146)
Lease Assets					
Equipment	(32,497)	(21,872)	-	-	(54,369)
Subscription Assets	(16,143)	(16,143)	-	-	(32,286)
Total Accumulated Depreciation	(41,423,036)	(2,814,187)	-	-	(44,237,223)
Total Capital Assets, Being Depreciated	74,071,212	(2,261,485)	2,772,425	-	74,582,152
Business-Type Activities Capital Assets, net	\$ 79,382,137	\$ (508,956)	\$ -	\$ -	\$ 78,873,181

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

	Total
Governmental Activities	
General Government	\$ 473,974
Public Safety	126,816
Public Works	2,174,530
Cemetery	4,673
Parks and Recreation	894,220
Economic Development	72,616
	<u>3,746,829</u>
Internal Service - Equipment	<u>223,975</u>
Total	\$ 3,970,804

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

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, 2024:

	Balance 12/31/23	Additions	Payments	Balance 12/31/24	Due Within One Year
Construction Loan	\$ 3,725,255	\$ -	\$ (165,510)	\$ 3,559,745	\$ 171,442
Right-to-use Leases	774,310	-	(210,661)	563,649	212,661
Subscription Arrangements	170,523	-	(32,998)	137,525	32,310
Compensated Absences	643,548	-	(40,308)	603,240	60,324
Total	\$ 5,313,636	\$ -	\$ (449,477)	\$ 4,864,159	\$ 476,737

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.

The loan's principal and interest future maturities are as follows:

<u>Year Ended December 31,</u>	Principal	Interest	Total
2025	\$ 171,442	\$ 117,674	\$ 289,116
2026	177,226	111,890	289,116
2027	183,205	105,911	289,116
2028	189,104	100,012	289,116
2029	195,766	93,350	289,116
2030-2034	1,082,251	363,329	1,445,580
2035-2039	1,277,645	167,935	1,445,580
2040	283,106	7,153	290,259
Total	\$ 3,559,745	\$ 1,067,254	\$ 4,626,999

The City leases certain right-to-use equipment for governmental activities from various third parties with terms varying from 5 to 6 years. Monthly lease payments range from \$25 to \$1,284. As of December 31, 2024, the cost of the City's right-to-use equipment was \$1,019,327 with accumulated amortization of \$462,736.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

Future principal and interest requirements related to the City's right-to-use lease liabilities at December 31, 2024 are:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 212,750	\$ 12,474	\$ 225,224
2026	189,078	7,401	196,479
2027	142,989	2,543	145,532
2028	18,832	137	18,969
Total	<u>\$ 563,649</u>	<u>\$ 22,555</u>	<u>\$ 586,204</u>

The City has entered into software subscription agreements utilized for governmental activities from various third parties with terms ranging from 60 to 72 months. Monthly subscription payments range from \$135 to \$1,232. As of December 31, 2024, the cost of the City's software subscription agreements were \$216,994 with accumulated amortization of \$70,655.

Future principal and interest requirements related to the City's software subscription agreements at December 31, 2024 are:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 32,310	\$ 3,880	\$ 36,190
2026	26,923	2,967	29,890
2027	27,678	2,212	29,890
2028	22,805	1,435	24,240
2029	13,712	778	14,490
2030-2034	14,097	394	14,491
Total	<u>\$ 137,525</u>	<u>\$ 11,666</u>	<u>\$ 149,191</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2024:

	Balance 12/31/23	Additions	Payments	Balance 12/31/24	Due Within One Year
2007 CWRPDA Loan - Wastewater	\$ 5,638,400	\$ -	\$ (1,027,736)	\$ 4,610,664	\$ 1,064,384
Premium	163,230	-	(35,614)	127,616	-
2012 CWRPDA Loan - Water	12,559,134	-	(1,052,170)	11,506,964	1,064,333
2012 CWRPDA Loan - Water (Fed)	980,383	-	(100,464)	879,919	102,483
Premium	732,978	-	(69,258)	663,720	-
2015 Certificate of Participation - Water	3,355,000	-	(235,000)	3,120,000	240,000
Right-to-use Leases	68,951	-	(21,553)	47,398	21,635
Subscription Arrangements	92,526	-	(15,264)	77,262	15,704
Compensated Absences	16,905	-	693	17,598	880
Total	\$ 23,607,507	\$ -	\$ (2,556,366)	\$ 21,051,141	\$ 2,509,419

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.

The loan's principal and interest future maturities are as follows:

Year Ended December 31,	Principal	Interest	Total
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	1,264,684	-	1,264,684
Total	\$ 4,610,664	\$ 412,245	\$ 5,022,909

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.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The City has also received the benefit of \$1,523,671 of premiums related to the \$21,858,367 CWRPDA debt issuance that are 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.

The loan's principal and interest future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,064,333	\$ 257,950	\$ 1,322,283
2026	1,076,497	245,840	1,322,337
2027	1,088,661	234,238	1,322,899
2028	1,100,825	223,077	1,323,902
2029	1,112,989	212,369	1,325,358
2030 - 2034	<u>6,063,659</u>	<u>562,435</u>	<u>6,626,094</u>
Total	<u>\$ 11,506,964</u>	<u>\$ 1,735,909</u>	<u>\$ 13,242,873</u>

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

The subsidized loan principal and interest future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 102,483	\$ 17,089	\$ 119,572
2026	104,543	15,029	119,572
2027	106,644	12,927	119,571
2028	108,788	10,784	119,572
2029	110,974	8,597	119,571
2030- 2032	<u>346,487</u>	<u>12,228</u>	<u>358,715</u>
Total	<u>\$ 879,919</u>	<u>\$ 76,654</u>	<u>\$ 956,573</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

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 principal and interest future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 240,000	\$ 99,012	\$ 339,012
2026	250,000	91,396	341,396
2027	255,000	83,462	338,462
2028	265,000	75,576	340,576
2029	275,000	66,960	341,960
2030-2034	1,500,000	199,246	1,699,246
2035	<u>335,000</u>	<u>3,521</u>	<u>338,521</u>
Total	<u>\$ 3,120,000</u>	<u>\$ 619,173</u>	<u>\$ 3,739,173</u>

The City leases certain right-to-use equipment for business-type activities from various third parties with terms varying from 5 to 6 years. Monthly lease payments range from \$569 to \$682. As of December 31, 2024, the cost of this right-to-use equipment was \$101,636 with accumulated amortization of \$54,369.

Future principal and interest requirements related to the City's right-to-use lease liabilities at December 31, 2024 are:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 21,757	\$ 776	\$ 22,533
2026	14,116	463	14,579
2027	7,293	239	7,532
2028	<u>4,232</u>	<u>42</u>	<u>4,274</u>
Total	<u>\$ 47,398</u>	<u>\$ 1,520</u>	<u>\$ 48,918</u>

The City has entered into a software subscription agreement utilized for business-type activities from a third party with a term of 36 months. Subscription payments are \$1,475 per month. As of December 31, 2024, the cost of this software subscription agreements was \$107,617 with accumulated amortization of \$32,286.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Future principal and interest requirements related to the City's software subscription agreements at December 31, 2024 are:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 15,704	\$ 1,996	\$ 17,700
2026	16,157	1,543	17,700
2027	16,623	1,077	17,700
2028	17,103	597	17,700
2029	11,675	125	11,800
Total	<u>\$ 77,262</u>	<u>\$ 5,338</u>	<u>\$ 82,600</u>

Note 5: Interfund Transactions

The City has recorded the following routine transfers:

	Transfer In	Transfer Out
General Fund	\$ -	\$ (893,350)
Street Improvement	262,176	(24,878)
Parks and Recreation	185,511	-
Capital Improvements	100,000	-
Non-major Governmental Funds	7,000	(25,600)
Water Fund	239,792	(33,752)
Wastewater Fund	185,101	-
Sanitation Fund	-	(2,000)
Total	<u>\$ 979,580</u>	<u>\$ (979,580)</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, 2024, the City contributed \$210,253 and the employees contributed \$134,516 to the plan.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

Note 6: Pension Plan (Continued)

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, 2024, the City contributed \$253,616 to the plan. During the year ended December 31, 2024, there were unvested participant account balances totaling \$21,898 which were forfeited, and used to reduce County contributions.

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. For the year ended December 31, 2024, the City made \$147,255 in matching contributions to the plan.

Note 7: Risk-Related Activities

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

The City carries commercial insurance for workers' compensation claims.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

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, 2024

Note 9: Rate Maintenance (Continued)

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

	Water Fund	Wastewater Fund
Revenues		
Operating Revenues	\$ 4,015,736	\$ 4,158,563
Sales & Use Taxes	2,792,144	-
System Improvement Fees	322,666	273,149
Investment Income	806,574	398,750
Cash in Lieu of Water Rights Fees	28,602	-
Other Revenues	5,863	-
	<u>7,971,585</u>	<u>4,830,462</u>
Expenses		
Operating Expenses	4,156,741	3,183,500
Less Depreciation	(1,716,830)	(1,097,357)
	<u>2,439,911</u>	<u>2,086,143</u>
Net Expenses		
	<u>2,439,911</u>	<u>2,086,143</u>
Net Revenues	\$ <u>5,531,674</u>	\$ <u>2,744,319</u>
Debt Service Requirements (Parity and Subordinate)		
2007 CWRPDA Note Payable	\$ -	\$ 1,254,921
2012 CWRPDA - Interest Bearing	1,322,283	-
2012 CWRPDA - Federal	119,572	-
2015 Certificates of Participation	339,012	-
	<u>1,780,867</u>	<u>1,254,921</u>
Debt Service Required		
	<u>1,780,867</u>	<u>1,254,921</u>
Required Coverage		
(Water at 100%, without System Improvement Fees)	<u>110%</u>	<u>110%</u>
Debt Service Coverage at 110%	\$ <u>1,958,954</u>	\$ <u>1,380,413</u>
Net Revenue Excess	\$ <u>3,572,720</u>	\$ <u>1,363,906</u>

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 \$89,879 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 2024 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.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2024

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

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 2024, reflected in the accompanying financial statements in accrued liabilities, are as follows:

Closure Costs	\$	63,334
Post Closure Costs - 5 years		26,545
Estimated Cost in 2024 Dollars for Closure and Post Closure Costs	\$	89,879

Note 11: Restatement

During the year ended December 31, 2024, the City implemented GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

The December 31, 2023 Assets, Liabilities and Net position have been restated as follows to reflect change in accounting for the City's long-term right-to-use leases and subscription-based information technology agreements:

	2023 Balance as Reported	GASB 87 Restatement	GASB 96 Restatement	2023 Balance as Restated
Statement of Net Position				
Governmental Activities				
Assets	\$ <u>89,870,137</u>	\$ <u>774,262</u>	\$ <u>182,877</u>	\$ <u>90,827,276</u>
Liabilities	\$ <u>6,246,709</u>	\$ <u>774,310</u>	\$ <u>170,523</u>	\$ <u>7,191,542</u>
Net Position	\$ <u>80,358,837</u>	\$ <u>(48)</u>	\$ <u>12,354</u>	\$ <u>80,371,143</u>
Business-Type Activities				
Assets	\$ <u>106,373,358</u>	\$ <u>69,139</u>	\$ <u>91,474</u>	\$ <u>106,533,971</u>
Liabilities	\$ <u>24,259,225</u>	\$ <u>68,951</u>	\$ <u>92,526</u>	\$ <u>24,420,702</u>
Net Position	\$ <u>82,044,236</u>	\$ <u>188</u>	\$ <u>(1,052)</u>	\$ <u>82,043,372</u>

Required Supplementary Information

City of Rifle, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 9,044,553	\$ 9,044,553	\$ 9,063,651	\$ 19,098
Licenses and Permits	173,000	173,000	187,664	14,664
Intergovernmental	4,213,804	4,213,804	2,653,193	(1,560,611)
Charges for Services	1,164,225	1,164,225	1,190,906	26,681
Interest Income	434,241	434,241	742,901	308,660
Miscellaneous	111,500	111,500	163,266	51,766
Total Revenue	<u>15,141,323</u>	<u>15,141,323</u>	<u>14,001,581</u>	<u>(1,139,742)</u>
Expenditures				
General Government	5,424,916	5,424,916	4,784,473	640,443
Public Safety	4,702,478	4,702,478	4,285,469	417,009
Public Works	2,329,695	2,329,695	2,047,883	281,812
Parks and Recreation	629,235	629,235	652,368	(23,133)
Economic Development	-	-	51	(51)
Capital Outlay	876,160	876,160	870,297	5,863
Debt Service				
Principal	129,103	129,103	121,615	7,488
Total Expenditures	<u>14,091,587</u>	<u>14,091,587</u>	<u>12,762,156</u>	<u>1,329,431</u>
Excess Revenues Over (Under) Expenditures	1,049,736	1,049,736	1,239,425	189,689
Other Financing Sources (Uses)				
Transfers Out	<u>(2,270,554)</u>	<u>(3,058,904)</u>	<u>(893,350)</u>	<u>2,165,554</u>
Total Other Financing Sources (Uses)	<u>(2,270,554)</u>	<u>(3,058,904)</u>	<u>(893,350)</u>	<u>2,165,554</u>
Change in Fund Balance	(1,220,818)	(2,009,168)	346,075	2,355,243
Fund Balance, Beginning of Year	<u>13,619,334</u>	<u>13,619,334</u>	<u>13,655,897</u>	<u>36,563</u>
Fund Balance, End of Year	<u>\$ 12,398,516</u>	<u>\$ 11,610,166</u>	<u>\$ 14,001,972</u>	<u>\$ 2,391,806</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 1,802,400	\$ 1,802,400	\$ 1,861,429	\$ 59,029
Licenses and Permits	152,500	380,924	162,360	(218,564)
Intergovernmental	8,092,472	8,092,472	5,023,150	(3,069,322)
Investment Income	225,829	225,829	248,121	22,292
Total Revenues	<u>10,273,201</u>	<u>10,501,625</u>	<u>7,295,060</u>	<u>(3,206,565)</u>
Expenditures				
Public Works	192,596	192,596	163,620	28,976
Capital Outlay	12,440,322	12,440,322	4,747,699	7,692,623
Total Expenditures	<u>12,632,918</u>	<u>12,632,918</u>	<u>4,911,319</u>	<u>7,721,599</u>
Excess Revenues Over (Under) Expenditures	(2,359,717)	(2,131,293)	2,383,741	4,515,034
Other Financing Sources (Uses)				
Transfers In	2,165,554	2,165,554	262,176	(1,903,378)
Transfers Out	—	—	(24,878)	(24,878)
Total Other Financing Sources (Uses)	<u>2,165,554</u>	<u>2,165,554</u>	<u>237,298</u>	<u>(1,928,256)</u>
Net Change in Fund Balance	(194,163)	34,261	2,621,039	2,586,778
Fund Balance, Beginning of Year	<u>4,872,235</u>	<u>4,872,235</u>	<u>5,412,937</u>	<u>540,702</u>
Fund Balance, End of Year	<u>\$ 4,678,072</u>	<u>\$ 4,906,496</u>	<u>\$ 8,033,976</u>	<u>\$ 3,127,480</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Parks and Recreation Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 3,604,801	\$ 3,604,801	\$ 3,722,858	\$ 118,057
Intergovernmental	25,300	25,300	25,280	(20)
Charges for Services	381,800	381,800	571,451	189,651
Interest Income	135,255	135,255	125,905	(9,350)
Other	100	100	36,602	36,502
	<u>4,147,256</u>	<u>4,147,256</u>	<u>4,482,096</u>	<u>334,840</u>
Total Revenues				
Expenditures				
Parks and Recreation	3,447,112	3,447,112	3,276,708	170,404
Capital Outlay	762,000	762,000	673,735	88,265
Debt Service				
Principal	165,509	165,509	165,509	-
Interest and Fiscal Charges	123,607	123,607	123,991	(384)
	<u>4,498,228</u>	<u>4,498,228</u>	<u>4,239,943</u>	<u>258,285</u>
Total Expenditures				
Excess Revenues Over (Under) Expenditures	(350,972)	(350,972)	242,153	593,125
Other Financing Sources (Uses)				
Transfers In	25,600	185,511	185,511	-
Total Other Financing Sources (Uses)	<u>25,600</u>	<u>185,511</u>	<u>185,511</u>	<u>-</u>
Net Change in Fund Balance	(325,372)	(165,461)	427,664	593,125
Fund Balance, Beginning of Year	<u>2,854,942</u>	<u>2,854,942</u>	<u>3,033,545</u>	<u>178,603</u>
Fund Balance, End of Year	<u>\$ 2,529,570</u>	<u>\$ 2,689,481</u>	<u>\$ 3,461,209</u>	<u>\$ 771,728</u>

City of Rifle, Colorado
Notes to Required Supplementary Information
December 31, 2024

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, 2024

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Assets							
Cash and Investments	\$ 365,965	\$ 544,354	\$ 113,798	\$ 280,823	\$ 315,232	\$ 346,585	\$ 1,966,757
Accounts Receivable	-	-	-	6,454	-	-	6,454
Taxes Receivable	-	12,265	283	24,254	-	-	36,802
Property Taxes Receivable	-	-	55,845	-	-	-	55,845
Total Assets	\$ 365,965	\$ 556,619	\$ 169,926	\$ 311,531	\$ 315,232	\$ 346,585	\$ 2,065,858
Liabilities							
Accounts Payable	-	3,931	3,678	21,912	760	-	30,281
Deposit	-	-	-	1,300	-	-	1,300
Total Liabilities	-	3,931	3,678	23,212	760	-	31,581
Deferred Inflows of Resources							
Property Taxes	-	-	55,845	-	-	-	55,845
Fund Balances							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	346,585	346,585
Restricted For:							
Parks and Recreation	365,965	-	-	-	-	-	365,965
Assigned For:							
Economic Development	-	552,688	110,403	288,319	314,472	-	1,265,882
Total Fund Balances	365,965	552,688	110,403	288,319	314,472	346,585	1,978,432
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 365,965	\$ 556,619	\$ 169,926	\$ 311,531	\$ 315,232	\$ 346,585	\$ 2,065,858

City of Rifle, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Revenues							
Taxes	\$ -	\$ 220,308	\$ 56,952	\$ 253,423	\$ 236,404	\$ -	\$ 767,087
Intergovernmental	129,371	126,228	-	-	-	-	255,599
Charges for Services	-	6,160	-	233,742	-	8,900	248,802
Investment Income	13,991	21,000	5,804	15,691	11,473	14,216	82,175
Other	-	-	-	5,050	-	-	5,050
Total Revenues	<u>143,362</u>	<u>373,696</u>	<u>62,756</u>	<u>507,906</u>	<u>247,877</u>	<u>23,116</u>	<u>1,358,713</u>
Expenditures							
Economic Development	-	50,850	72,311	608,744	2,829	-	734,734
Capital Outlay	-	196,918	3,335	74,174	-	-	274,427
Total Expenditures	<u>-</u>	<u>247,768</u>	<u>75,646</u>	<u>682,918</u>	<u>2,829</u>	<u>-</u>	<u>1,009,161</u>
Excess of Revenues Over (Under) Expenditures	143,362	125,928	(12,890)	(175,012)	245,048	23,116	349,552
Other Financing Sources (Uses)							
Transfers In	-	-	7,000	-	-	-	7,000
Transfers Out	-	(25,600)	-	-	-	-	(25,600)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,600)</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,600)</u>
Net Change in Fund Balances	143,362	100,328	(5,890)	(175,012)	245,048	23,116	330,952
Fund Balances, Beginning 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>
Fund Balances, End of Year	<u>\$ 365,965</u>	<u>\$ 552,688</u>	<u>\$ 110,403</u>	<u>\$ 288,319</u>	<u>\$ 314,472</u>	<u>\$ 346,585</u>	<u>\$ 1,978,432</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Investment Income	\$ 116,829	\$ 116,829	\$ 84,772	\$ (32,057)
Total Revenues	<u>116,829</u>	<u>116,829</u>	<u>84,772</u>	<u>(32,057)</u>
Expenditures				
Capital Outlay	-	150,000	62,577	87,423
Total Expenditures	<u>-</u>	<u>150,000</u>	<u>62,577</u>	<u>87,423</u>
Excess Revenues Over (Under) Expenditures	116,829	(33,171)	22,195	55,366
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	100,000	-
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	216,829	66,829	122,195	55,366
Fund Balance, Beginning of Year	<u>1,923,228</u>	<u>1,923,228</u>	<u>1,814,807</u>	<u>(108,421)</u>
Fund Balance, End of Year	<u>\$ 2,140,057</u>	<u>\$ 1,990,057</u>	<u>\$ 1,937,002</u>	<u>\$ (53,055)</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 135,000	\$ 135,000	\$ 129,371	\$ (5,629)
Investment Income	<u>11,873</u>	<u>11,873</u>	<u>13,991</u>	<u>2,118</u>
Total Revenues	<u>146,873</u>	<u>146,873</u>	<u>143,362</u>	<u>(3,511)</u>
Expenditures				
Capital Outlays	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	46,873	46,873	143,362	96,489
Fund Balance, Beginning of Year	<u>245,706</u>	<u>245,706</u>	<u>222,603</u>	<u>(23,103)</u>
Fund Balance, End of Year	<u>\$ 292,579</u>	<u>\$ 292,579</u>	<u>\$ 365,965</u>	<u>\$ (23,103)</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Visitor Improvement Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 251,031	\$ 251,031	\$ 220,308	\$ (30,723)
Charges for Services	3,000	3,000	6,160	3,160
Intergovernmental	116,000	116,000	126,228	10,228
Investment Income	15,421	17,062	21,000	3,938
Total Revenues	<u>385,452</u>	<u>387,093</u>	<u>373,696</u>	<u>(13,397)</u>
Expenditures				
Economic Development	94,988	94,988	50,850	44,138
Capital Outlays	223,500	223,500	196,918	26,582
Total Expenditures	<u>318,488</u>	<u>318,488</u>	<u>247,768</u>	<u>70,720</u>
Excess Revenues Over (Under) Expenditures	66,964	68,605	125,928	57,323
Other Financing Sources (Uses)				
Transfers Out	(25,600)	(25,600)	(25,600)	-
Total Other Financing Sources (Uses)	<u>(25,600)</u>	<u>(25,600)</u>	<u>(25,600)</u>	<u>-</u>
Net Change in Fund Balance	41,364	43,005	100,328	57,323
Fund Balance, Beginning of Year	<u>417,209</u>	<u>417,209</u>	<u>452,360</u>	<u>35,151</u>
Fund Balance, End of Year	<u>\$ 458,573</u>	<u>\$ 460,214</u>	<u>\$ 552,688</u>	<u>\$ 92,474</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Downtown Development Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 60,067	\$ 56,952	\$ (3,115)
Intergovernmental	1,500	-	(1,500)
Investment Income	3,254	5,804	2,550
Total Revenues	<u>64,821</u>	<u>62,756</u>	<u>(2,065)</u>
Expenditures			
Economic Development	69,732	72,311	(2,579)
Capital Outlay	14,500	3,335	11,165
Total Expenditures	<u>84,232</u>	<u>75,646</u>	<u>8,586</u>
Excess of Revenues Over (Under) Expenditures	(19,411)	(12,890)	6,521
Other Financing Sources (Uses)			
Transfers In	7,000	7,000	-
Total Other Financing Sources (Uses)	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net Change in Fund Balance	(12,411)	(5,890)	6,521
Fund Balance, Beginning of Year	<u>120,987</u>	<u>116,293</u>	<u>(4,694)</u>
Fund Balance, End of Year	<u>\$ 108,576</u>	<u>\$ 110,403</u>	<u>\$ 1,827</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Tourism and Industry Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 245,324	\$ 253,423	\$ 8,099
Charges for Services	186,000	233,742	47,742
Investment Income	28,057	15,691	(12,366)
Other	42,000	5,050	(36,950)
Total Revenues	<u>501,381</u>	<u>507,906</u>	<u>6,525</u>
Expenditures			
Economic Development	725,947	608,744	117,203
Capital Outlay	87,000	74,174	12,826
Total Expenditures	<u>812,947</u>	<u>682,918</u>	<u>130,029</u>
Net Change in Fund Balance	(311,566)	(175,012)	136,554
Fund Balance, Beginning of Year	<u>443,831</u>	<u>463,331</u>	<u>19,500</u>
Fund Balance, End of Year	<u>\$ 132,265</u>	<u>\$ 288,319</u>	<u>\$ 156,054</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Urban Renewal Authority Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 157,500	\$ 236,404	\$ 78,904
Investment Income	7,547	11,473	3,926
Total Revenues	<u>165,047</u>	<u>247,877</u>	<u>82,830</u>
Expenditures			
Economic Development	<u>20,000</u>	<u>2,829</u>	<u>17,171</u>
Total Expenditures	<u>20,000</u>	<u>2,829</u>	<u>17,171</u>
Net Change in Fund Balance	145,047	245,048	100,001
Fund Balance, Beginning of Year	<u>67,258</u>	<u>69,424</u>	<u>2,166</u>
Fund Balance, End of Year	<u>\$ 212,305</u>	<u>\$ 314,472</u>	<u>\$ 102,167</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Perpetual Care Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 15,000	\$ 8,900	\$ (6,100)
Investment Income	<u>12,700</u>	<u>14,216</u>	<u>1,516</u>
Total Revenues	<u>27,700</u>	<u>23,116</u>	<u>(4,584)</u>
Expenditures			
Perpetual Care	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	22,700	23,116	416
Fund Balance, Beginning of Year	<u>317,906</u>	<u>323,469</u>	<u>5,563</u>
Fund Balance, End of Year	<u><u>\$ 340,606</u></u>	<u><u>\$ 346,585</u></u>	<u><u>\$ 5,979</u></u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 3,660,905	\$ 3,660,905	\$ 3,563,710	\$ (97,195)
Sale of Meters	20,000	20,000	32,638	12,638
Other - Operating	440,000	440,000	419,388	(20,612)
Sales and Use Taxes	2,703,601	2,703,601	2,792,144	88,543
Investment Income	646,507	646,507	806,574	160,067
Other - Nonoperating	21,000	21,000	5,863	(15,137)
System Improvement Fees	145,000	332,914	322,666	(10,248)
Cash in Lieu of Fees	20,000	47,000	28,602	(18,398)
Transfers In	-	-	239,792	239,792
Total Revenues	7,657,013	7,871,927	8,211,377	339,450
Expenditures				
Personal Services	1,070,720	1,070,720	942,151	128,569
Supplies	100,700	100,700	153,577	(52,877)
Purchased Services	1,369,051	1,369,051	977,330	391,721
Other Expenses	1,000	1,000	13,478	(12,478)
Management Fees	168,057	168,057	168,057	-
Fleet Maintenance	102,606	102,606	47,606	55,000
Information Technology Maintenance	127,410	127,410	127,410	-
Small Equipment Purchases	20,940	20,940	10,302	10,638
Capital Outlays	2,000,000	2,000,000	1,745,289	254,711
Interest Expense	327,323	327,323	324,109	3,214
Debt Principal Payments	1,387,634	1,387,634	1,157,042	230,592
Transfers Out	1,387,634	1,387,634	33,752	1,353,882
Total Expenditures	8,063,075	8,063,075	5,700,103	2,362,972
Change in Net Position - Budgetary Basis	\$ (406,062)	\$ (191,148)	2,511,274	\$ 2,702,422
Adjustments to GAAP Basis				
Capital Outlay			1,745,289	
Debt Principal Payments			1,157,042	
Depreciation			(1,716,830)	
Change in Net Position			3,696,775	
Fund Balance, Beginning of Year			55,484,696	
Fund Balance, End of Year			\$ 59,181,471	

City of Rifle, Colorado
Budgetary Comparison Schedule
Wastewater Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 4,007,291	\$ 4,007,291	\$ 4,158,563	\$ 151,272
Investment Income	287,348	287,348	398,750	111,402
Other - Nonoperating	-	5,863	-	(5,863)
System Improvement Fees	150,000	335,101	273,149	(61,952)
Transfers In	-	-	185,101	185,101
Total Revenues	4,444,639	4,635,603	5,015,563	379,960
Expenditures				
Personal Services	762,934	762,934	606,824	156,110
Supplies	192,184	192,184	178,928	13,256
Purchased Services	1,315,300	1,315,300	1,104,476	210,824
Other Expense	-	-	247	(247)
Management Fees	103,174	103,174	103,174	-
Fleet Maintenance	90,004	90,004	35,004	55,000
Information Technology Maintenance	57,490	57,490	57,490	-
Small Equipment Purchase	120,000	120,000	-	120,000
Capital Outlays	2,180,000	2,180,000	559,942	1,620,058
Interest Expense	185,243	185,243	175,514	9,729
Debt Principal Payments	1,024,736	1,024,736	1,027,736	(3,000)
Total Expenditures	6,031,065	6,031,065	3,849,335	2,181,730
Change in Net Position - Budgetary Basis	\$ (1,586,426)	\$ (1,395,462)	1,166,228	\$ 2,561,690
Adjustments to GAAP Basis				
Capital Outlay			559,942	
Debt Principal Payments			1,027,736	
Depreciation			(1,097,357)	
Change in Net Position			1,656,549	
Fund Balance, Beginning of Year			26,323,455	
Fund Balance, End of Year			\$ 27,980,004	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Sanitation Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 899,952	\$ 899,952	\$ 897,061	\$ (2,891)
Other - Operating	-	-	21,458	21,458
Investment Income	6,794	6,794	8,475	1,681
Total Revenues	<u>906,746</u>	<u>906,746</u>	<u>926,994</u>	<u>20,248</u>
Expenditures				
Personal Services	14,630	14,630	14,753	(123)
Purchased Services	885,000	885,000	831,443	53,557
Other Expenses	100	100	-	100
Management Fees	36,194	36,194	36,194	-
Information Technology Maintenance	1,554	1,554	1,554	-
Total Expenditures	<u>937,478</u>	<u>937,478</u>	<u>883,944</u>	<u>53,534</u>
Revenues Over (Under) Expenditures	(30,732)	(30,732)	43,050	73,782
Transfers				
Transfers Out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Change in Net Position - Budgetary Basis	<u>\$ (32,732)</u>	<u>\$ (32,732)</u>	41,050	<u>\$ 73,782</u>
Change in Net Position			41,050	
Fund Balance, Beginning of Year			<u>235,221</u>	
Fund Balance, End of Year			<u>\$ 276,271</u>	

Compliance Section



Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

City Council
City of Rifle, Colorado
Rifle, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rifle, Colorado (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hick & Company, PC

Englewood, Colorado
July 24, 2025





Independent Auditor's Report on Compliance for Each Major Federal Program; Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

City Council
City of Rifle, Colorado
Rifle, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rifle, Colorado's (the City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hike & Company, PC

Englewood, Colorado
July 24, 2025



City of Rifle, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF THE INTERIOR				
National Park Service				
Passed through the State of Colorado, Department of Natural Resources Outdoor Recreation Acquisition, Development and Planning	15.916	25-TRLG-194515	\$ 1,643	\$ -
Office of Natural Resources Revenue				
Passed through the State of Colorado, Department of Local Affairs Energy & Mineral Impact Assistance Program	15.437	EIAF-09814	<u>1,000,000</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF THE INTERIOR			<u>1,001,643</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
National Park Service				
COPS Technology & Equipment Program	16.710		<u>289,952</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>289,952</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Office of the Secretary				
Safe Streets & Roads for All Program	20.939		76,827	-
Passed through the State of Colorado, Department of Natural Resources Outdoor Recreation Acquisition, Development and Planning	20.219	22-TRLG-175472	<u>86,824</u>	<u>-</u>
TOTAL FOR U.S. DEPARTMENT OF TRANSPORTATION			<u>163,651</u>	<u>-</u>
U.S. DEPARTMENT OF TREASURY				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		<u>2,134,097</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>2,134,097</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,589,343</u>	<u>\$ -</u>

City of Rifle, Colorado
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) for the City under programs for the federal government for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The City has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

City of Rifle, Colorado
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2024

Section I: Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP):

- Unmodified Qualified Adverse Disclaimed

The independent auditor’s report on internal control over financial reporting described:

- Material weaknesses identified? Yes No
- Significant deficiencies? Yes None reported
- Noncompliance considered material to the financial statements noted? Yes No

Federal Awards

The independent auditor’s report on internal control over compliance for major federal awards programs disclosed:

- Material weaknesses? Yes No
- Significant deficiencies? Yes None reported

Type of Auditor’s report issued on compliance for major federal programs:

- Unmodified Qualified Adverse Disclaimed

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal program:

Assistance Listing Number	Cluster/Program
15.437	Energy & Mineral Impact Assistance Program
21.027	Coronavirus State and local Fiscal Recovery Funds (SLFRF)

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000.

Auditee qualified as a low-risk auditee? Yes No

(Continued)

City of Rifle, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024
(Continued)

Section II: Financial Statement Findings

Findings Required to be Reported by the Uniform Guidance

None.

Section III: Federal Award Findings and Questioned Costs

Findings Required to be Reported by the Uniform Guidance

None.

City of Rifle, Colorado
Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

Section I: Financial Statement Findings

Findings Required to be Reported by the Uniform Guidance

None reported for the year ended December 31, 2023.

Section III: Federal Award Findings and Questioned Costs

Findings Required to be Reported by the Uniform Guidance

None reported for the year ended December 31, 2023.

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): 12/2024
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This Information From The Records Of: CITY OF RIFLE	Prepared By: SCOTT RUST, FINANCE DIRECTOR
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 4,800,742.00
a. Motor Fuel (from Item I.A.5.)	\$ -	2. Maintenance:	\$ 2,208,228.00
b. Motor Vehicle (from Item I.B.5.)	\$ -	3. Road and street services:	
c. Total (a.+b.)	\$ -	a. Traffic control operations	\$ 183,086.00
2. General fund appropriations	\$ 3,908,698.00	b. Snow and ice removal	\$ 50,068.00
3. Other local imposts (from page 2)	\$ 2,490,554.00	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 363,010.00	d. Total (a. through c.)	\$ 233,154.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 321,883.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 1,686,742.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 9,250,749.00
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)	\$ 6,762,262.00	b. Redemption	\$ -
3. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 2,959,596.85	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 2,264,026.15	a. Interest	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 11,985,885.00	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)	\$ 9,250,749.00

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
	\$ (3,550,572.00)	\$ 11,985,885.00	\$ 9,250,749.00	\$ (815,436.00)	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy):
 12/2024

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	248,120.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 114,890.00
1. Sales Taxes	\$ 1,861,429.00	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ 161,300.00	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 467,825.00	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 2,490,554.00	h. Other	\$ -
c. Total (a. + b.)	\$ 2,490,554.00	i. Total (a. through h.)	\$ 363,010.00
<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.)	\$ 389,205.00	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	\$ 42,513.00	d. Federal Transit Administration	\$ 76,827.15
d. DOLA Grant	\$ 2,527,878.85	e. U.S. Corps of Engineers	\$ -
e. Other		f. Other Federal ARPA	\$ 2,187,199.00
f. Total (a. through e.)	\$ 2,570,391.85	g. Total (a. through f.)	\$ 2,264,026.15
4. Total (1. + 2. + 3.f)	\$ 2,959,596.85	3. Total (1. + 2.g)	\$ 2,264,026.15
<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	\$ -	\$ 68,291.00	\$ 68,291.00
c. Construction:			
(1). New Facilities	\$ -	\$ -	\$ -
(2). Capacity Improvements	\$ -	\$ -	\$ -
(3). System Preservation	\$ -	\$ 4,646,673.00	\$ 4,646,673.00
(4). System Enhancement And Operation	\$ -	\$ 85,778.00	\$ 85,778.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 4,732,451.00	\$ 4,732,451.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 4,800,742.00	\$ 4,800,742.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: