

City of Rifle, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2021



City of Rifle, Colorado

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December 31, 2021

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

Independent Auditors' Report

City Council
City of Rifle
Rifle, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the City of Rifle, Colorado (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the City as of December 31, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Other Matters

Required Supplementary Information

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

The City has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
July 18, 2022



City of Rifle, Colorado

Management's Discussion and Analysis December 31, 2021

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, 2021.

Financial Highlights

- The assets of the City of Rifle exceeded its liabilities at the close of 2021 by \$149,031,440 (net position). Of this amount; \$107,743,348 is net investment in capital assets, \$2,009,265 is restricted, and \$39,278,827 is unrestricted and may be used to meet the government's ongoing obligations.
- Total net position across the entire entity increased by \$4,869,618 or 3.38%.
- General fund unassigned fund balance at December 31, 2021 is \$7,452,713; this equates to 80% of 2021 total general fund expenditures.
- The business-type activities net position increased \$3,955,319 to \$72,676,592 during the year. The Water Fund increased \$2,298,054; Sewer Fund increased \$1,660,758; and the Sanitation Fund decreased \$3,493.

Overview of Report

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

Government-Wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business, on an accrual basis. Note 1 to the statements, starting on p. 12, provides a further description of the related *Statement of Net Position* and *Statement of Activities*, which report City activities in two categories - *governmental activities* and *business-type activities*.

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

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

The government-wide financial statements can be found on pages 4-5 of this report, and are described further in Note 1 to the Financial Statements, starting on p. 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 of the City’s funds can be divided into three categories, **governmental funds**, **proprietary funds**, and **fiduciary funds**. The City of Rifle adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statutes.

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

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

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 10-12 of this report. The budget and actual reports are shown on pages 42-44.

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

Notes to the Financial Statements – The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-28 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City Of Rifle. This information is presented in the State Compliance section on pages 45-46.

Government-Wide Financial Results

The City of Rifle’s net position may serve over time as a useful indicator of the City’s financial position. The City of Rifle’s assets exceeded its liabilities (net position) at the close of 2021 by \$149,031,440.

The largest portion of the City’s net position (72%) is the investment in capital assets (e.g. land, buildings, infrastructure, and equipment); less any related outstanding debt used to acquire the assets. These capital assets are used to provide services to citizens, and consequently are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, the related resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Net Position

The following table shows the City's net position for 2021 as compared to 2020.

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 26,205,206	\$ 26,182,478	\$ 20,408,254	\$ 16,584,141	\$ 46,613,460	\$ 42,766,619
Capital assets (net)	59,179,796	55,031,778	81,250,639	83,338,991	140,430,435	138,370,769
Total assets	85,385,002	81,214,256	101,658,893	99,923,132	187,043,895	181,137,388
Other liabilities	2,561,912	610,060	2,870,282	468,652	5,432,194	1,078,712
Long-term liabilities	4,533,619	4,486,706	26,042,122	30,663,311	30,575,741	35,150,017
Total liabilities	7,095,531	5,096,766	28,912,404	31,131,963	36,007,935	36,228,729
Deferred Inflows:						
Unavailable Revenue - Property Taxes	1,934,623	676,952	69,897	69,897	2,004,520	746,849
Net position:						
Invested in capital assets net of related debt	54,815,644	50,831,374	52,927,704	52,717,660	107,743,348	103,549,034
Nonspendable						
Cemetery Perpetual Care	258,416	262,571	-	-	258,416	262,571
Restricted For:						
for Emergencies	528,338	449,590	143,144	144,639	671,482	594,229
for Parks and Recreation	161,953	158,501	-	-	161,953	158,501
for Debt Service and O&M Reserves	180,698	180,698	995,162	1,021,604	1,175,860	1,202,302
Assigned for:						
for Channel10	30,500	26,374	-	-	30,500	26,374
for Senior Center Meals and Capital	101,197	99,621	-	-	101,197	99,621
for Police Expenditures	2,472	2,472	-	-	2,472	2,472
Unrestricted	20,275,630	23,429,337	18,610,582	14,837,370	38,886,212	38,266,707
Total Net Position	\$ 76,354,848	\$ 75,440,538	\$ 72,676,592	\$ 68,721,273	\$ 149,031,440	\$ 144,161,811

An additional portion of the City's net position balance (1.61%) represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted* balance of (26.1%) 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, 2021, restricted net position in the governmental activities included the following: Cemetery Perpetual Care (\$258,416), Debt Service (180,698), Channel 10 (\$30,500), TABOR Emergencies (\$528,338), Senior Center Meals and Capital (\$101,197), Police (\$2,472), and Parks and Recreation (\$161,953). The Business-Type Activities includes restricted net position of the following: Debt Service and O&M reserves (\$995,162), and TABOR Emergencies (\$143,144). The remaining balance of net position (unrestricted net position) totals \$38,886,212. 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.8 of the report), with a comparison to the prior year.

	SUMMARY OF CHANGES IN NET POSITION					
	For Years Ended December 31, 2021 and 2020					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for services	\$ 1,708,406	\$ 1,671,043	\$ 8,877,493	\$ 8,506,273	\$ 10,585,899	\$ 10,177,316
Operating grants and contributions	1,815,043	\$ 2,014,960	269,482	25,000	2,084,525	2,039,960
Capital grants and contributions	206,801	\$ 266,276	-	725,089	206,801	991,365
General Revenues:						
Property taxes	879,170	755,341	-	-	879,170	755,341
Sales and use taxes	11,419,731	9,700,420	2,256,632	1,938,371	13,676,363	11,638,791
Other taxes	553,021	469,461	-	-	553,021	469,461
Investment earnings	146,884	207,248	103,292	109,199	250,176	316,447
Other revenues	192,672	216,650	531,632	509,076	724,304	725,726
Total revenues	<u>16,921,728</u>	<u>15,301,399</u>	<u>12,038,531</u>	<u>11,813,008</u>	<u>28,960,259</u>	<u>27,114,407</u>
EXPENSES						
General government	4,861,698	5,191,192	-	-	4,861,698	5,191,192
Public Safety	2,899,224	2,743,217	-	-	2,899,224	2,743,217
Public Works	4,312,854	4,221,039	-	-	4,312,854	4,221,039
Cemetery	3,972	3,181	-	-	3,972	3,181
Parks and recreation	3,217,212	1,710,878	-	-	3,217,212	1,710,878
Economic development and assistance	582,602	500,871	-	-	582,602	500,871
Interest Expense	131,854	96,196	-	-	131,854	96,196
Water operations	-	-	4,547,934	3,935,675	4,547,934	3,935,675
Sewer operations	-	-	2,783,990	2,724,710	2,783,990	2,724,710
Sanitation operations	-	-	749,288	690,905	749,288	690,905
Total expenses	<u>16,009,416</u>	<u>14,466,574</u>	<u>8,081,212</u>	<u>7,351,290</u>	<u>24,090,628</u>	<u>21,817,864</u>
Increase in net assets before transfers	912,310	834,825	3,957,319	4,461,718	4,869,631	5,296,543
Transfers	2,000	2,000	(2,000)	(2,000)	-	-
Increase in net assets	914,310	836,825	3,955,319	4,459,718	4,869,631	5,296,543
Net Position, Beginning of year	75,440,538	74,603,713	68,721,273	64,261,555	144,161,811	138,865,268
Net Position, end of year	<u>\$ 76,354,848</u>	<u>\$ 75,440,538</u>	<u>\$ 72,676,592</u>	<u>\$ 68,721,273</u>	<u>\$ 149,031,442</u>	<u>\$ 144,161,811</u>

FINANCIAL ANALYSIS OF THE CITY'S FUND BALANCE

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

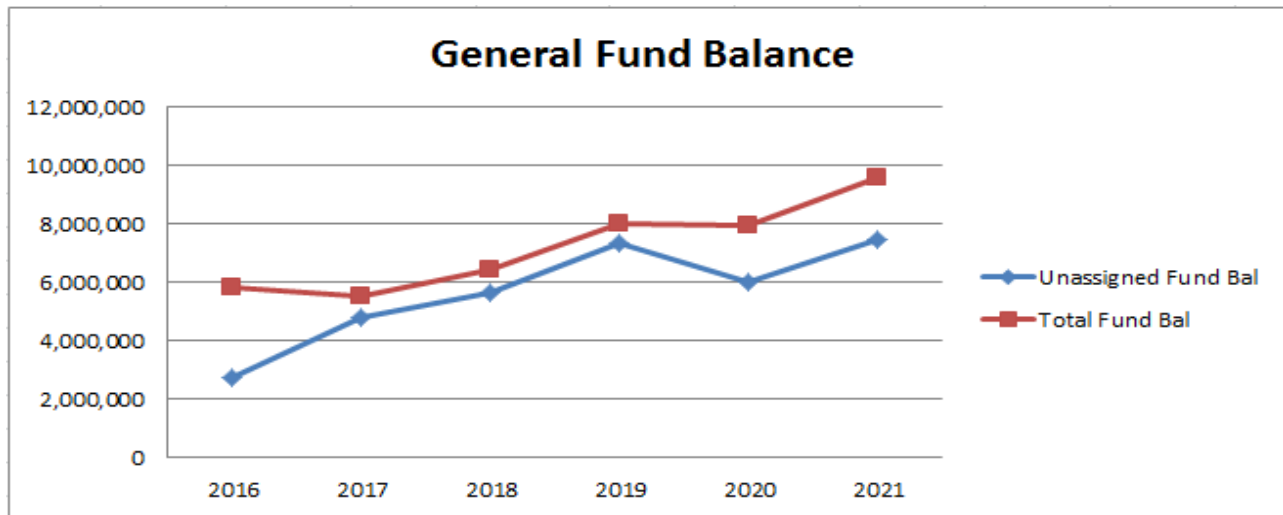
Governmental Funds – The focus of the City's governmental funds statements is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financial requirements. In particular, unreserved fund balance may serve as a useful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

One of the differences between the governmental activities as reported in the government-wide *Statement of Activities* and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new assets are capitalized and only depreciation expense for those assets is reported in the *Statement of Activities*. In the individual governmental fund financial statements, the expenditure for the capital asset acquisitions is reported in the *Statement of Revenues, Expenditures, and Changes in Fund*

Balance. Therefore, governmental fund capital outlay expenditures of \$7,459,132 acquired in 2021 (page 9) are not reflected in the *Statement of Activities*.

At year-end 2021, governmental funds as reported on the *Balance Sheet – Governmental Funds* (page 6) reported a combined fund balance of \$21,831,501, a decrease of \$2,997,731 from the prior year. The General Fund balance increased \$1,610,542 or 20.3%. The Street Improvement Fund balance decreased \$4,192,541 or 48.2%. The Parks and Recreation Fund balance increased \$738,294 or 41%.

The General Fund unassigned fund balance at December 31, 2021 was \$7,452,713, or 80% of 2021 annual expenditures. Unassigned fund balance increased \$1,454,558 with expenditures exceeding revenues by \$1,491,542. The following chart gives a 5-year trend analysis of these amounts.



Proprietary Funds – The City’s proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail. The Proprietary Funds include the Water, Wastewater (Sewer), and Sanitation (Trash) Funds. The Proprietary Fund Net Position increased \$3,955,319 to \$72,676,592. Investment in capital assets, net of related debt represents 72.8% of total net position.

ENTERPRISE FUND NET POSITION
December 31, 2020 and 2019

	Water		Wastewater		Sanitation		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Investment in capital assets net of related debt	\$ 35,666,983	\$ 35,904,638	\$ 17,260,721	\$ 16,813,012	\$ -	\$ -	\$ 52,927,704	52,717,650
Restricted:								
For Emergencies	143,114	144,639	-	-	-	-	143,114	144,639
For Subsequent Year's Expenditures	-	-	-	-	42,601	22,601	42,601	22,601
For Operations and Maintenance Reserve	608,678	584,543	386,484	437,061	-	-	995,162	1,021,604
Unrestricted	13,433,827	10,920,728	5,018,981	3,755,355	115,203	138,696	18,568,011	14,814,779
Total net position	\$ 49,852,602	\$ 47,554,548	\$ 22,666,186	\$ 21,005,428	\$ 157,804	\$ 161,297	\$ 72,676,592	\$ 68,721,273

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

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

Unrestricted net position is reserved for the operation and maintenance component of all the proprietary funds. The Sewer Fund has continued to increase user fees annually to meet increasing costs of operation and to replace decaying infrastructure, which includes collection and distribution lines. The Water Fund has also continued to increase user fees to ensure proper funding for care and maintenance of existing facilities.

In 2021, the Water fund increased Net Position by \$2,298,054. Wastewater increased by \$1,660,758. The Sanitation fund incurred a net decrease of \$3,493.

Total unrestricted net position increased \$3,955,319 during 2021. The Water Fund's unrestricted net position increased by \$2,513,099; Wastewater Fund increased \$1,263,626; and the Sanitation Fund decreased \$24,493.

General Fund Budgetary Highlights

The General Fund revenues increased by \$1,530,266 or 16.5% from 2020 and exceeded budget by \$2,058,173 or 23.54%. Expenditures decreased \$43,049 from 2020 or .46% and were under budget by \$581,068, or 5.87%. Management and City Council continue to budget conservatively to ensure the City has the flexibility to address community needs.

Capital Asset and Debt Administration

Capital assets – At the end of 2021, the City had \$140,430,435 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 1.49%.

CAPITAL ASSETS AT YEAR-END (Net of Depreciation) As of December 31, 2021 and 2020						
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land & Rights	\$ 4,378,899	\$ 3,979,905	\$ 1,985,544	\$ 2,636,895	\$ 6,364,443	\$ 6,616,800
Construction in Process	1,107,558	18,584	651,352	0	1,758,910	18,584
Buildings	8,480,519	8,823,663	49,228,747	51,105,728	57,709,266	59,929,392
Improvements	43,471,078	40,518,368	28,392,271	29,117,590	71,863,349	69,635,958
Equipment	792,708	964,840	992,725	478,777	1,785,433	1,443,617
Int Svc Equipment & Vehicles	949,034	726,417	-	-	949,034	726,417
Total	\$ 59,179,796	\$ 55,031,777	\$ 81,250,639	\$ 83,338,991	\$ 140,430,435	\$ 138,370,768

Debt Administration – At the end of 2021, the City of Rifle had a balance of \$32,332,177 outstanding in revenue bonds; revenue notes payable, notes payable and capital leases, of which

\$4,037,739 is a construction loan for the pool renovation. Footnote disclosure number 4 on page 21 provides additional information regarding this and other obligations. The City has no general obligation debt.

OUTSTANDING DEBT						
Years Ended December 31, 2021 and 2020						
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue bonds and notes payable	\$ -	\$ -	\$ 28,294,438	\$ 30,621,342	\$ 28,294,438	\$ 30,621,342
Construction Loan	\$ 4,037,739	\$ 4,195,001	-	-	\$ 4,037,739	\$ 4,195,001
Total	<u>\$ 4,037,739</u>	<u>\$ 4,195,001</u>	<u>\$ 28,294,438</u>	<u>\$ 30,621,342</u>	<u>\$ 32,332,177</u>	<u>\$ 34,816,343</u>

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

Economic Factors and the 2020 Budget

In 2021 the City of Rifle experienced a 13.48% in sales and use tax collections. A conservative approach was taken in the preparation of the 2021 budget which projected a decrease in overall revenue. The City of Rifle, as a result of thoughtful leadership and prudent management, built up the reserves in its General Fund as well as other major funds across the reporting entity. The City continues to deal with the ongoing impacts of the recent pandemic. However, The City of Rifle is less negatively impacted than many others, and is fortunate that our revenues are continuing to recover, and only a small percentage of reserves were required to continue normal operations. Like other governments, the City of Rifle continues to take steps to stimulate the local economy and negate any negative pandemic related impacts. The local economy has made a significant start to return to pre-pandemic levels of economic activity. The year 2022 continues to show slight growth in the local economy. However, with high levels of inflation and economic uncertainty continuing the City will continue to develop fiscally conservative budgets while still maintaining excellent service levels.

The City of Rifle has a strong number and value of building and development projects continuing. Funding for the many of the projects has been secured and project completion is expected in the next two years. The money spent completing these projects will circulate in our local economy over this time. In addition, the City of Rifle expects the American Rescue Plan funding will also provide a small boost to the local economy, depending on the City’s determination of the best use of those funds. With our adequate reserves the City will remain conservative in its spending until this economic downturn and current reversal process proves lasting.

Request for Information

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

Basic Financial Statements

City of Rifle, Colorado
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 24,239,549	\$ 18,910,166	\$ 43,149,715
Accounts Receivable	119,590	1,054,890	1,174,480
Property Taxes Receivable	714,823	-	714,823
Taxes Receivable	1,120,100	216,526	1,336,626
Due from Other Governments	-	-	-
Investment Income Receivable	-	-	-
Inventory	11,144	225,176	236,320
Prepaid Expenses	-	1,496	1,496
Capital Assets, <i>Not Being Depreciated</i>	5,486,457	2,636,896	8,123,353
Capital Assets, <i>Net of Accumulated Depreciation</i>	53,693,339	78,613,743	132,307,082
Total Assets	<u>85,385,002</u>	<u>101,658,893</u>	<u>187,043,895</u>
Liabilities			
Accounts Payable	1,970,412	128,504	2,098,916
Accrued Salaries	14,320	76,585	90,905
Accrued Liabilities	-	83,999	83,999
Accrued Interest Payable	-	271,998	271,998
Deposits	95,538	10,840	106,378
Retainage Payable	326,413	-	326,413
Noncurrent Liabilities			
Due Within One Year	155,229	2,298,356	2,453,585
Due in More Than One Year	4,533,619	26,042,122	30,575,741
Total Liabilities	<u>7,095,531</u>	<u>28,912,404</u>	<u>36,007,935</u>
Deferred Inflows of Resources			
Property Taxes	1,934,623	-	1,934,623
Deferred Tap Fees	-	69,897	69,897
Total Deferred Inflows of Resources	<u>1,934,623</u>	<u>69,897</u>	<u>2,004,520</u>
Net Position			
Net Investment in Capital Assets	54,815,644	52,927,704	107,743,348
Restricted For:			
Emergencies	528,338	143,114	671,452
Debt Service	180,698	-	180,698
Parks and Recreation	161,953	-	161,953
Operations and Maintenance Reserve	-	995,162	995,162
Unrestricted	20,668,215	18,610,612	39,278,827
Total Net Position	<u>\$ 76,354,848</u>	<u>\$ 72,676,592</u>	<u>\$ 149,031,440</u>

See Notes to the Financial Statements.

City of Rifle, Colorado
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 4,861,698	\$ 1,072,288	\$ 1,008,577	\$ 206,801	\$ (2,574,032)	\$ -	\$ (2,574,032)
Public Safety	2,899,224	16,138	36,305	-	(2,846,781)	-	(2,846,781)
Public Works	4,312,854	-	519,101	-	(3,793,753)	-	(3,793,753)
Cemetery	3,972	65,290	-	-	61,318	-	61,318
Parks and Recreation	3,217,212	403,049	6,049	-	(2,808,114)	-	(2,808,114)
Economic Development	582,602	151,641	245,011	-	(185,950)	-	(185,950)
Interest on Long-Term Debt	131,854	-	-	-	(131,854)	-	(131,854)
Total Government Activities	<u>16,009,416</u>	<u>1,708,406</u>	<u>1,815,043</u>	<u>206,801</u>	<u>(12,279,166)</u>	<u>-</u>	<u>(12,279,166)</u>
<i>Business-Type Activities</i>							
Water Utility	4,547,934	3,988,080	-	-	-	(290,372)	(290,372)
Wastewater Utility	2,783,990	4,145,074	269,482	-	-	1,361,084	1,361,084
Sanitation Operations	749,288	744,339	-	-	-	(4,949)	(4,949)
Total Business-Type Activities	<u>8,081,212</u>	<u>8,877,493</u>	<u>269,482</u>	<u>-</u>	<u>-</u>	<u>1,065,763</u>	<u>1,065,763</u>
Total Primary Government	<u>\$ 24,090,628</u>	<u>\$ 10,585,899</u>	<u>\$ 2,084,525</u>	<u>\$ 206,801</u>	<u>(12,279,166)</u>	<u>1,065,763</u>	<u>(11,213,403)</u>
General Revenues							
Property Taxes					827,737	-	827,737
Specific Ownership Taxes					51,433	-	51,433
Sales and Use Taxes					11,419,731	2,256,632	13,676,363
Franchise Taxes					371,911	-	371,911
Other Taxes					181,110	-	181,110
Grants and Contributions not Restricted to Specific Programs					24,523	-	24,523
Investment Income					146,884	103,292	250,176
Gain (Loss) on Disposal of Capital Assets					-	-	-
Other					168,137	531,631	699,768
Transfers					<u>2,000</u>	<u>(2,000)</u>	<u>-</u>
Total General Revenues					<u>13,193,466</u>	<u>2,889,555</u>	<u>16,083,021</u>
Change in Net Position					914,300	3,955,318	4,869,618
Net Position, Beginning of year					<u>75,440,548</u>	<u>68,721,274</u>	<u>144,161,822</u>
Net Position, End of year					<u>\$ 76,354,848</u>	<u>\$ 72,676,592</u>	<u>\$ 149,031,440</u>

City of Rifle, Colorado
Balance Sheet
Governmental Funds
December 31, 2021

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Assets						
Cash and Investments	\$ 10,149,494	\$ 5,943,527	\$ 2,258,110	\$ 4,056,557	\$ 1,748,476	\$ 24,156,164
Accounts Receivable	75,192	12,481	24,863	-	7,054	119,590
Taxes Receivable	652,303	144,351	288,701	-	34,745	1,120,100
Property Taxes Receivable	670,823	-	-	-	44,000	714,823
Interest Receivable	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Total Assets	<u>11,547,812</u>	<u>6,100,359</u>	<u>2,571,674</u>	<u>4,056,557</u>	<u>1,834,275</u>	<u>26,110,677</u>
Liabilities						
Accounts Payable	2,851	1,336,953	29,319	542,213	11,266	1,922,602
Retainage Payable	-	262,035	5,403	58,975	-	326,413
Deferred Revenue	1,219,800	-	-	-	-	1,219,800
Deposits	93,788	-	350	-	1,400	95,538
Total Liabilities	<u>1,316,439</u>	<u>1,598,988</u>	<u>35,072</u>	<u>601,188</u>	<u>12,666</u>	<u>3,564,353</u>
Deferred Inflows of Resources						
Property Taxes	670,823	-	-	-	44,000	714,823
Fund Balances						
Nonspendable						
Cemetery Perpetual Care	-	-	-	-	258,416	258,416
Restricted For:						
Emergencies	528,338	-	-	-	-	528,338
Debt Service	180,698	-	-	-	-	180,698
Parks and Recreation	161,953	-	-	-	-	161,953
Assigned For:						
Channel 10	30,500	-	-	-	-	30,500
Senior Center Capital and Meals	101,197	-	-	-	-	101,197
Police Expenditures	2,472	-	-	-	-	2,472
Subsequent Year Expenditures	1,102,679	1,409,000	305,723	289,000	449,874	3,556,276
Economic Development	-	-	-	-	1,067,761	1,067,761
Street Improvement	-	3,092,371	-	-	-	3,092,371
Parks and Recreation	-	-	2,230,879	-	-	2,230,879
Capital Improvements	-	-	-	3,166,369	-	3,166,369
Unrestricted, Unassigned	7,452,713	-	-	-	1,558	7,454,271
Total Fund Balances	<u>9,560,550</u>	<u>4,501,371</u>	<u>2,536,602</u>	<u>3,455,369</u>	<u>1,777,609</u>	<u>21,831,501</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,547,812</u>	<u>\$ 6,100,359</u>	<u>\$ 2,571,674</u>	<u>\$ 4,056,557</u>	<u>\$ 1,834,275</u>	<u>\$ 26,110,677</u>

City of Rifle, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

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

Total Fund Balances of Governmental Funds	\$ 21,831,501
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	58,230,762
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Notes Payable	(4,037,739)
Accrued Compensated Absences	(651,109)
Internal Service Funds are blended into Governmental Activities	<u>981,433</u>
Total Net Position of Governmental Activities	<u>\$ 76,354,848</u>

City of Rifle, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Street Improvements	Parks and Recreation	Capital Improvement	Nonmajor Governmental Funds	Totals
Revenues						
Taxes	\$ 7,714,533	\$ 1,504,422	\$ 3,008,843	\$ -	\$ 624,124	\$ 12,851,922
Licenses and Permits	308,019	57,179	-	-	-	365,198
Intergovernmental	1,580,750	36,039	14,154	54,877	360,187	2,046,007
Charges for Services	986,648	-	399,597	-	174,076	1,560,321
Investment Income	54,233	41,123	12,235	26,309	11,284	145,184
Other	158,918	-	8,219	-	-	167,137
Total Revenues	<u>10,803,101</u>	<u>1,638,763</u>	<u>3,443,048</u>	<u>81,186</u>	<u>1,169,671</u>	<u>17,135,769</u>
Expenditures						
Current						
General Government	3,905,701	-	-	-	-	3,905,701
Public Safety	3,159,570	-	-	-	-	3,159,570
Public Works	1,770,712	110,262	-	-	-	1,880,974
Parks and Recreation	391,247	-	2,377,919	-	-	2,769,166
Economic Development	-	-	-	-	578,400	578,400
Capital Outlay	84,329	6,036,042	39,069	1,193,569	89,314	7,442,323
Debt Service						
Principal	-	-	166,512	-	-	166,512
Interest and Fiscal Charges	-	-	131,854	-	-	131,854
Total Expenditures	<u>9,311,559</u>	<u>6,146,304</u>	<u>2,715,354</u>	<u>1,193,569</u>	<u>667,714</u>	<u>20,034,500</u>
Revenues Over (Under) Expenditures	<u>1,491,542</u>	<u>(4,507,541)</u>	<u>727,694</u>	<u>(1,112,383)</u>	<u>501,957</u>	<u>(2,898,731)</u>
Other Financing Sources (Uses)						
Disposal of capital assets	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-
Transfers In	225,000	325,000	10,600	-	82,000	642,600
Transfers Out	(106,000)	-	-	-	(635,600)	(741,600)
Total Other Financing Sources (Uses)	<u>119,000</u>	<u>325,000</u>	<u>10,600</u>	<u>-</u>	<u>(553,600)</u>	<u>(99,000)</u>
Net Change in Fund Balances	1,610,542	(4,182,541)	738,294	(1,112,383)	(51,643)	(2,997,731)
Fund Balances, Beginning of year	<u>7,950,008</u>	<u>8,683,912</u>	<u>1,798,308</u>	<u>4,567,752</u>	<u>1,829,252</u>	<u>24,829,232</u>
Fund Balances, End of year	<u>\$ 9,560,550</u>	<u>\$ 4,501,371</u>	<u>\$ 2,536,602</u>	<u>\$ 3,455,369</u>	<u>\$ 1,777,609</u>	<u>\$ 21,831,501</u>

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, 2021

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

Net Change in Fund Balances of Governmental Funds	\$ (2,997,731)
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlay	7,459,132
Depreciation Expense	(3,501,380)
Disposal of Capital Assets	(32,350)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Payment of Note Payable Principal	157,262
Change in Accrued Compensated Absences	(108,925)
<p>Internal Service Funds are blended into Governmental Activities:</p>	
Fleet Maintenance and Information Technology Funds, Change in Net Position	<u>(61,708)</u>
Change in Net Position of Governmental Activities	<u>\$ 914,300</u>

City of Rifle, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 13,729,208	\$ 5,043,882	\$ 137,076	\$ 18,910,166	\$ 83,385
Accounts Receivable	322,025	655,745	77,120	1,054,890	-
Taxes Receivable	216,526	-	-	216,526	-
Prepaid Expenses	499	499	498	1,496	-
Inventory	213,474	11,702	-	225,176	11,144
Total Current Assets	14,481,732	5,711,828	214,694	20,408,254	94,529
<i>Noncurrent Assets</i>					
<i>Capital Assets</i>					
<i>Not Being Depreciated</i>	1,831,192	805,704	-	2,636,896	-
<i>Net of Accumulated Depreciation</i>	54,291,432	24,322,311	-	78,613,743	949,034
Total Noncurrent Assets	56,122,624	25,128,015	-	81,250,639	949,034
Total Assets	70,604,356	30,839,843	214,694	101,658,893	1,043,563
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	22,026	49,975	56,503	128,504	47,810
Accrued Liabilities	44,455	115,742	387	160,584	14,320
Accrued Interest Payable	150,783	121,215	-	271,998	-
Deposits	10,840	-	-	10,840	-
Compensated Absences	2,364	-	-	2,364	-
Loan Payable - Current Portion	1,106,140	969,852	-	2,075,992	-
Certificates of Participation - Current Portion	220,000	-	-	220,000	-
Total Current Liabilities	1,556,608	1,256,784	56,890	2,870,282	62,130
<i>Noncurrent Liabilities</i>					
Compensated Absences	43,676	-	-	43,676	-
Notes Payable	15,549,501	6,868,945	-	22,418,446	-
Certificates of Participation	3,580,000	-	-	3,580,000	-
Total Noncurrent Liabilities	19,173,177	6,868,945	-	26,042,122	-
Total Liabilities	20,729,785	8,125,729	56,890	28,912,404	62,130
Deferred Inflows of Resources					
Deferred Tap Fees	21,969	47,928	-	69,897	-
Net Position					
Net Investment in Capital Assets	35,666,983	17,260,721	-	52,927,704	949,034
Restricted for:					
Emergencies	143,114	-	-	143,114	-
Operations and Maintenance Reserve	608,678	386,484	-	995,162	-
Assigned for:					
Subsequent Year's Expenditures	-	-	42,601	42,601	348,012
Unrestricted	13,433,827	5,018,981	115,203	18,568,011	(315,613)
Total Net Position	\$ 49,852,602	\$ 22,666,186	\$ 157,804	\$ 72,676,592	\$ 981,433

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, 2021

	Business-Type Activities			Total	Governmental Activities
	Water	Wastewater	Sanitation		Internal Service Funds
Operating Revenues					
Charges for Services	\$ 3,553,995	\$ 3,770,632	\$ 744,339	\$ 8,068,966	\$ 1,299,306
Sale of Materials	40,772	-	-	40,772	-
Operating Grants	-	269,482	-	269,482	360
Other	516,469	-	-	516,469	-
Total Operating Revenues	<u>4,111,236</u>	<u>4,040,114</u>	<u>744,339</u>	<u>8,895,689</u>	<u>1,299,666</u>
Operating Expenses					
Personal Services	869,168	570,190	13,906	1,453,264	422,628
Supplies	112,698	222,651	704,400	1,039,749	267,430
Purchased Services	883,457	492,112	-	1,375,569	507,011
Other Expenses	7,112	-	-	7,112	-
Management Fees	138,890	85,268	29,912	254,070	-
Fleet Maintenance	37,981	35,067	-	73,048	2,140
Information Technology Maintenance	78,822	46,722	1,070	126,614	8,916
Small Equipment Purchases	362,526	-	-	362,526	58,132
Depreciation	1,643,702	1,065,072	-	2,708,774	198,817
Total Operating Expenses	<u>4,134,356</u>	<u>2,517,082</u>	<u>749,288</u>	<u>7,400,726</u>	<u>1,465,074</u>
Operating Income (Loss)	<u>(23,120)</u>	<u>1,523,032</u>	<u>(4,949)</u>	<u>1,494,963</u>	<u>(165,408)</u>
Nonoperating Revenues (Expenses)					
Sales and Use Taxes	2,256,632	-	-	2,256,632	-
Investment Income	74,371	28,101	820	103,292	1,700
Other Revenues	10,436	2,090	2,636	15,162	1,000
Amortization of Bond Premiums	69,258	35,614	-	104,872	-
Interest and Fiscal Charges	(482,836)	(302,521)	-	(785,357)	-
Total Nonoperating Revenues (Expenses)	<u>1,927,861</u>	<u>(236,716)</u>	<u>3,456</u>	<u>1,694,601</u>	<u>2,700</u>
Income (Loss) Before Capital Contributions & Transfers	<u>1,904,741</u>	<u>1,286,316</u>	<u>(1,493)</u>	<u>3,189,564</u>	<u>(162,708)</u>
Capital Contributions					
System Improvement Fees	384,574	374,442	-	759,016	-
Cash in lieu of Water Rights	8,739	-	-	8,739	-
Capital Grants	-	-	-	-	-
Total Capital Contributions	<u>393,313</u>	<u>374,442</u>	<u>-</u>	<u>767,755</u>	<u>-</u>
Transfers					
Transfers Out	-	-	(2,000)	(2,000)	101,000
Total Transfers	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>101,000</u>
Change in Net Position	<u>2,298,054</u>	<u>1,660,758</u>	<u>(3,493)</u>	<u>3,955,319</u>	<u>(61,708)</u>
Net Position, Beginning of year	<u>47,554,548</u>	<u>21,005,428</u>	<u>161,297</u>	<u>68,721,273</u>	<u>1,043,141</u>
Net Position, End of year	<u>\$ 49,852,602</u>	<u>\$ 22,666,186</u>	<u>\$ 157,804</u>	<u>\$ 72,676,592</u>	<u>\$ 981,433</u>

City of Rifle, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities				Governmental Activities
	Water	Wastewater	Sanitation	Totals	Internal Service Funds
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 3,570,767	\$ 3,481,701	\$ 735,882	\$ 7,788,350	\$ 1,299,306
Cash Received from Others	516,469	269,482	-	785,951	360
Cash Payments to Vendors and Suppliers	(2,465,486)	(1,452,262)	(747,693)	(4,665,441)	(1,318,708)
Cash Payments to Employees	12,831	90,318	(265)	102,884	2,038
Net Cash Provided (Used) by Operating Activities	1,634,581	2,389,239	(12,076)	4,011,744	(17,004)
Cash Flows From Noncapital Financing Activities					
Other Revenues	10,436	2,090	2,636	15,162	1,000
Payments from (to) Other Funds	-	-	(2,000)	(2,000)	101,000
Net Cash Provided (Used) by Noncapital Financing Activities	10,436	2,090	636	13,162	102,000
Cash Flows From Capital and Related Financing Activities					
Purchases of Capital Assets	(52,961)	(567,460)	-	(620,421)	(421,433)
Proceeds From System Improvement Fees	384,574	374,442	-	759,016	-
Proceeds From Cash in Lieu of Fees	8,739	-	-	8,739	-
Proceeds From Sales and Use Taxes	2,241,401	-	-	2,241,401	-
Proceeds From Grants	-	-	-	-	-
Principal Payments on Debt	(1,283,828)	(938,204)	-	(2,222,032)	-
Interest Payments on Debt	(496,815)	(309,917)	-	(806,732)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	801,110	(1,441,139)	-	(640,029)	(421,433)
Cash Flows from Investing Activities					
Interest Received	74,371	28,101	820	103,292	1,700
Net Increase in Cash and Cash Equivalents	2,520,498	978,291	(10,620)	3,488,169	(334,737)
Cash and Cash Equivalents, Beginning of Year	11,208,710	4,065,591	147,696	15,421,997	418,122
Cash and Cash Equivalents, End of Year	\$ 13,729,208	\$ 5,043,882	\$ 137,076	\$ 18,910,166	\$ 83,385
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ (23,120)	\$ 1,523,032	\$ (4,949)	\$ 1,494,963	\$ (165,408)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	1,643,702	1,065,072	-	2,708,774	198,817
Changes in Asset and Liabilities					
Accounts Receivable	(24,000)	(288,931)	(8,457)	(321,388)	-
Inventory	2,622	(1,947)	-	675	45,775
Deposits	840	-	-	840	-
Accounts Payable	21,706	1,695	1,595	24,996	(98,226)
Accrued Liabilities	12,831	90,318	(265)	102,884	2,038
Net Cash Provided (Used) by Operating Activities	\$ 1,634,581	\$ 2,389,239	\$ (12,076)	\$ 4,011,744	\$ (17,004)

See Notes to the Financial Statements.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

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

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Additionally, the City reports the following major proprietary funds:

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

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

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances

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

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

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

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

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

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

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

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Property Taxes

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

Subsequent Events

We have evaluated subsequent events through July 18, 2022, the date the financial statements were available to be issued.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2021, follows:

Petty Cash	\$	2,685
Cash Deposits		5,863,130
Investments		<u>37,283,900</u>
 Total	 \$	 <u>43,149,715</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, 2021, the City had bank deposits of \$3,935,990 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

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

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)
- Certificates of deposit

At December 31, 2021, the City had the following investments:

	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5 Years	Total
U.S. Treasury Securities	AA+	\$ 2,011,712	\$ 6,243,512	\$ 8,255,224
Certificates of Deposit	n/a	969,247	-	969,247
Money Market Funds	n/a	5,362,113	-	5,362,113
Local Government Investment Pools	AAAm	<u>22,697,316</u>	<u>-</u>	<u>22,697,316</u>
 Total		 <u>\$ 31,040,388</u>	 <u>\$ 6,243,512</u>	 <u>\$ 37,283,900</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 2: Cash and Investments

Investments (Continued)

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2021, the City's investments in U.S. Treasury and Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

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

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

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities. At December 31, 2021, the City's investments in the following represented more than 5% of the City's total investments.

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

Local Government Investment Pools - At December 31, 2021, the City had \$10,382,903 and \$13,534,213 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 AAm 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, 2021

Note 3: Capital Assets

Capital asset Governmental activity for the year ended December 31, 2021, is summarized below:

Governmental Activities	Balance 12/31/20	Additions	Transfer	Deletions	Balance 12/31/21
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$ 3,979,905	\$ 398,994	\$ -	\$ -	\$ 4,378,899
Construction in Progress	18,584	1,107,558	(18,584)	-	1,107,558
Total Capital Assets, <i>Not Being Depreciated</i>	3,998,489	1,506,552	(18,584)	-	5,486,457
<i>Capital Assets, Being Depreciated:</i>					
Buildings	16,274,261	79,061	-	(8,601)	16,344,721
Improvements	82,384,833	5,828,575	18,584	-	88,231,992
Equipment	4,589,158	44,944	-	(320,692)	4,313,410
Internal Service - Equipment	2,816,014	421,433	-	(32,819)	3,204,628
Total Capital Assets, <i>Being Depreciated</i>	106,064,266	6,374,013	18,584	(362,112)	112,094,751
<i>Less Accumulated Depreciation:</i>					
Buildings	(7,450,597)	(422,138)	-	8,533	(7,864,202)
Improvements	(41,866,466)	(2,894,448)	-	-	(44,760,914)
Equipment	(3,624,318)	(184,794)	-	288,410	(3,520,702)
Internal Service - Equipment	(2,089,596)	(198,817)	-	32,819	(2,255,594)
Total Accumulated Depreciation	(55,030,977)	(3,700,197)	-	329,762	(58,401,412)
Total Capital Assets, <i>Being Depreciated, net</i>	51,033,289	2,673,816	18,584	(32,350)	53,693,339
Governmental Activities Capital Assets, <i>net</i>	\$ 55,031,778	\$ 4,180,368	-	\$ (32,350)	\$ 59,179,796

Capital asset Business-Type activity for the year ended December 31, 2021, is summarized below:

Business-Type Activities	Balance 12/31/20	Additions	Transfers	Deletions	Balance 12/31/21
<i>Capital Assets, Not Being Depreciated:</i>					
Land and improvements	\$ 1,985,544	\$ -	\$ -	\$ -	\$ 1,985,544
Water Rights	651,352	-	-	-	651,352
Total Capital Assets, <i>Not Being Depreciated</i>	2,636,896	-	-	-	2,636,896
<i>Capital Assets, Being Depreciated:</i>					
Buildings	73,822,846	-	-	-	73,822,846
Improvements	42,226,506	42,042	-	-	42,268,548
Equipment	2,426,917	578,379	-	(173,791)	2,831,505
Total Capital Assets, <i>Being Depreciated</i>	118,476,269	620,421	-	(173,791)	118,922,899
<i>Less Accumulated Depreciation:</i>					
Buildings	(22,717,117)	(1,876,982)	-	-	(24,594,099)
Improvements	(13,108,916)	(767,361)	-	-	(13,876,277)
Equipment	(1,948,140)	(64,431)	-	173,791	(1,838,780)
Total Accumulated Depreciation	(37,774,173)	(2,708,774)	-	173,791	(40,309,156)
Total Capital Assets, <i>Being Depreciated</i>	80,702,096	(2,088,353)	-	-	78,613,743
Business-Type Activities Capital Assets, <i>net</i>	\$ 83,338,992	\$ (2,088,353)	-	-	\$ 81,250,639

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 3: Capital Assets (Continued)

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

	Total
Governmental Activities	
General Government	\$ 161,174
Public Safety	76,919
Public Works	2,302,121
Cemetery	3,972
Parks and Recreation	884,790
Economic Development	72,404
	3,501,380
Internal Service - Equipment	198,817
Total	\$ 3,700,197

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, 2021:

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

	Balance 12/31/20	Additions	Payments	Balance 12/31/21	Due Within One Year
Construction Loan	\$ 4,195,001	\$ -	\$ (157,262)	\$ 4,037,739	\$ 155,229
Compensated Absences	542,194	120,163	(11,248)	651,109	-
Total	\$ 4,737,195	\$ 120,163	\$ (168,510)	\$ 4,688,848	\$ 155,229

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

The loan's future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 155,229	\$ 133,887	\$ 289,116
2023	160,466	128,650	289,116
2024	165,532	123,584	289,116
2025	171,464	117,652	289,116
2026	177,249	111,867	289,116
2027 - 2031	979,774	465,806	1,445,580
2032 - 2036	1,156,540	289,041	1,445,581
2037 - 2040	1,071,485	82,419	1,153,904
Total	<u>\$ 4,037,739</u>	<u>\$ 1,452,906</u>	<u>\$ 5,490,645</u>

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2021:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/21</u>	<u>Due Within</u> <u>One Year</u>
2007 CWRPDA Loan - Wastewater Premium	\$ 8,542,544	\$ -	\$ (938,204)	\$ 7,604,340	\$ 969,852
2012 CWRPDA Loan - Water	270,071	-	(35,614)	234,457	-
2012 CWRPDA Loan - Water (Fed) Premium	15,587,923	-	(979,187)	14,608,736	1,009,596
2015 Certificate of Participation - Water Compensated Absences	1,270,052	-	(94,641)	1,175,411	96,544
	940,752	-	(69,258)	871,494	-
	4,010,000	-	(210,000)	3,800,000	220,000
	41,969	83,015	(78,944)	46,040	2,364
Total	<u>\$ 30,663,311</u>	<u>\$ 83,015</u>	<u>\$ (2,405,848)</u>	<u>\$ 28,340,478</u>	<u>\$ 2,298,356</u>

In May 2007, the City entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$17,852,112. The proceeds were used to complete sewer improvements. The City has also recorded \$747,848 of premiums that are being amortized over the life of the loan, with the remaining unamortized portion included in the note payable balance in the financial statements. The loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2028. The loan bears interest at 3.5% per annum, not including administrative fees. Pursuant to the loan agreement, the City was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures, or \$386,484. The City has funded this reserve through the restriction of net position in the Wastewater Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 969,852	\$ 282,017	\$ 1,251,869
2023	996,088	248,257	1,244,345
2024	1,027,736	220,857	1,248,593
2025	1,064,384	190,537	1,254,921
2026	1,096,032	156,287	1,252,319
2027 - 2028	<u>2,450,248</u>	<u>50,235</u>	<u>2,500,483</u>
Total	<u>\$ 7,604,340</u>	<u>\$ 1,148,190</u>	<u>\$ 8,752,530</u>

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

The City has also received the benefit of \$1,523,671 of premiums related to the \$21,858,367 CWRPDA debt issuance that are being amortized over the life of the loan. The unamortized portions of the premiums are included in the note payable balance in the financial statements. Issuance costs of \$382,038 were expensed during 2012. The \$21,858,367 loan requires semi-annual principal and interest payments on February 1 and August 1 of each year through 2034 commencing in August 2012. The loan bears interest at 1.6% per annum, not including administrative fees. Pursuant to the loan agreement, the city was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures or \$608,678. The City has funded this reserve through the restriction of its net position balance in the Water Fund. The City believes it is in compliance with all required covenants and obligations called for by the loan agreement. All debt payments related to this loan are made by the Water Fund.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,009,596	\$ 314,319	\$ 1,323,915
2023	1,040,006	284,261	1,324,267
2024	1,052,170	270,711	1,322,881
2025	1,064,333	257,950	1,322,283
2026	1,076,497	245,840	1,322,337
2027 - 2031	5,607,516	1,009,396	6,616,912
2032 - 2034	<u>3,758,618</u>	<u>222,723</u>	<u>3,981,341</u>
Total	<u>\$ 14,608,736</u>	<u>\$ 2,605,200</u>	<u>\$ 17,213,936</u>

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 96,544	\$ 23,028	\$ 119,572
2023	98,484	21,087	119,571
2024	100,464	19,108	119,572
2025	102,483	17,089	119,572
2026	104,543	15,029	119,572
2027 - 2031	555,092	42,766	597,858
2032 - 2033	117,801	1,770	119,571
Total	<u>\$ 1,175,411</u>	<u>\$ 139,877</u>	<u>\$ 1,315,288</u>

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

The 2015 Certificate of Participation future maturities are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 220,000	\$ 120,772	\$ 340,772
2023	225,000	113,610	338,610
2024	235,000	106,762	341,762
2025	240,000	99,012	339,012
2026	250,000	91,396	341,396
2027 - 2031	1,365,000	333,580	1,698,580
2032 - 2035	1,265,000	95,189	1,360,189
Total	<u>\$ 3,800,000</u>	<u>\$ 960,321</u>	<u>\$ 4,760,321</u>

Note 5: Interfund Transactions

The City has recorded the following routine transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 225,000	\$ (106,000)
Street Improvement	325,000	-
Parks and Recreation	10,600	-
Internal Service	101,000	-
Capital Improvements	-	-
Non-major Governmental Funds	82,000	(635,600)
Sanitation Fund	-	(2,000)
Total	<u>\$ 743,600</u>	<u>\$ (743,600)</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

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, 2021, the City contributed \$161,626 and the employees contributed \$130,284 to the plan.

All other full-time employees of the City are eligible to participate in a defined contribution pension plan established under the provisions of Section 401(a) of the Internal Revenue Code. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers all full-time employees upon initial employment and who have attained the age of twenty-one. The City contributes 5% of compensation to the plan on behalf of each qualified employee. Employees may not make contributions to this plan. Employers' contributions vest at the rate of 20% per year, after the first year, so that by the fifth year of participation, employees are 100% vested in all contributions made to the plan. For the year ended December 31, 2021, the City contributed \$228,106 to the plan.

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

Note 7: Risk-Related Activities

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

The City carries commercial insurance for workers compensation claims.

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 8: Commitments and Contingencies

TABOR Amendment

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

Litigation

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

2021 Budget Designations

Through the adoption of the 2021 budget, the City has assigned a portion of the Fund Balance for subsequent year's expenditures, as reflected in the accompanying financial statements as assigned for subsequent year's expenditures. The assignment represents the amount for which 2021 budgeted expenditures exceed the 2021 budgeted revenues.

Current Economic Conditions

During the year ended December 31, 2021, the United States of America and State of Colorado declared an emergency associated with the COVID-19 pandemic. Along with significant declines in financial markets, the public health emergency creates uncertain economic conditions. The City has adapted and made changes to operations due to the potential impacts on health and safety, however the full economic effect on the City is uncertain. Should these conditions continue, the City could continue to be negatively impacted.

Note 9: Rate Maintenance

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

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

Note 9: Rate Maintenance (Continued)

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

	<u>Water Fund</u>	<u>Wastewater Fund</u>
Revenues		
Operating Revenues	\$ 4,111,236	\$ 4,040,114
Sales & Use Taxes	2,256,632	-
System Improvement Fees	384,574	374,442
Investment Income	74,371	28,101
Cash in Lieu of Water Rights Fees	8,739	-
Other Revenues	<u>10,436</u>	<u>2,090</u>
 Total Revenues	 <u>6,845,988</u>	 <u>4,444,747</u>
Expenses		
Operating Expenses	4,134,356	2,517,082
Less Depreciation	<u>(1,643,702)</u>	<u>(1,065,072)</u>
 Net Expenses	 <u>2,490,654</u>	 <u>1,452,010</u>
 Net Revenues	 <u>\$ 4,355,334</u>	 <u>\$ 2,992,737</u>
 Debt Service Requirements (Parity and Subordinate)		
2007 CWRPDA Note Payable	\$ -	\$ 1,251,869
2012 CWRPDA - Interest Bearing	1,323,915	-
2012 CWRPDA - Federal	119,572	-
2015 Certificates of Participation	<u>340,772</u>	<u>-</u>
 Debt Service Required	 <u>1,784,259</u>	 <u>1,251,869</u>
 Required Coverage		
(Water at 100%, without System Improvement Fees)	<u>110%</u>	<u>110%</u>
 Debt Service Coverage at 110%	 <u>\$ 1,962,685</u>	 <u>\$ 1,377,056</u>
 Net Revenue Excess	 <u>\$ 2,392,649</u>	 <u>\$ 1,615,681</u>

City of Rifle, Colorado
Notes to the Financial Statements
December 31, 2021

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

The City of Rifle is responsible for the West Rifle Composting Facility (aka “Caca Loco”) which is no longer operable. State and Federal laws and regulation require the City to take proper remediation steps and to perform certain maintenance and monitoring functions at the site. Closure and Post Closure costs of \$83,999 have been recognized as operating expense and a corresponding liability will continue to be carried on the balance sheet. This amount is based on what it would cost to perform all closure and post closure care in 2021 and each year thereafter. Actual costs may be higher due to inflation, changes in technology or change in regulations. The City is required by State and Federal laws and regulations to demonstrate financial assurance. The City is in compliance with these requirements through the local government financial test.

Estimated total current cost of closure and post closure care applicable to the West Rifle Composting Facility for 2021, reflected in the accompanying financial statements in accrued liabilities, are as follows:

Closure Costs	\$ 59,191
Post Closure Costs – 5 years	<u>24,808</u>
Estimated Cost in 2021 Dollars for Closure and Post Closure Costs	<u>\$ 83,999</u>

Required Supplementary Information

City of Rifle, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 6,288,281	\$ 6,288,281	\$ 7,714,533	\$ 1,426,252
Licenses and Permits	237,075	237,075	308,019	70,944
Intergovernmental	862,930	1,207,348	1,580,750	373,402
Charges for Services	902,674	902,674	986,648	83,974
Interest Income	72,050	72,050	54,233	(17,817)
Miscellaneous	37,500	37,500	158,918	121,418
Total Revenue	<u>8,400,510</u>	<u>8,744,928</u>	<u>10,803,101</u>	<u>2,058,173</u>
Expenditures				
General Government	3,553,432	4,159,493	3,905,701	(253,792)
Public Safety	3,330,061	3,336,061	3,159,570	(176,491)
Public Works	1,900,783	1,915,783	1,770,712	(145,071)
Parks and Recreation	408,790	408,790	391,247	(17,543)
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	72,500	72,500	84,329	11,829
Total Expenditures	<u>9,265,566</u>	<u>9,892,627</u>	<u>9,311,559</u>	<u>(581,068)</u>
Excess Revenues Over (Under) Expenditures	(865,056)	(1,147,699)	1,491,542	2,639,241
Other Financing Sources (Uses)				
Transfers In	25,000	225,000	225,000	-
Transfers Out	(152,000)	(152,000)	(106,000)	46,000
Total Other Financing Sources (Uses)	<u>(127,000)</u>	<u>73,000</u>	<u>119,000</u>	<u>46,000</u>
Change in Fund Balance	(992,056)	(1,074,699)	1,610,542	2,685,241
Fund Balance, Beginning of Year	<u>7,570,623</u>	<u>7,570,623</u>	<u>7,950,008</u>	<u>379,385</u>
Fund Balance, End of Year	<u>\$ 6,578,567</u>	<u>\$ 6,495,924</u>	<u>\$ 9,560,550</u>	<u>\$ 3,064,626</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Street Improvement Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 1,249,718	\$ 1,249,718	\$ 1,504,422	\$ 254,704
Licenses and Permits	120,000	120,000	57,179	(62,821)
Intergovernmental	1,700,000	1,700,000	36,039	(1,663,961)
Investment Income	75,000	75,000	41,123	(33,877)
Other	-	-	-	-
Total Revenues	<u>3,144,718</u>	<u>3,144,718</u>	<u>1,638,763</u>	<u>(1,505,955)</u>
Expenditures				
Public Works	153,134	153,134	110,262	(42,872)
Capital Outlay	5,954,000	7,683,000	6,036,042	(1,646,958)
Total Expenditures	<u>6,107,134</u>	<u>7,836,134</u>	<u>6,146,304</u>	<u>1,689,830</u>
Excess Revenues Over (Under) Expenditures	(2,962,416)	(4,691,416)	(4,507,541)	183,875
Other Financing Sources (Uses)				
Transfers In	325,000	325,000	325,000	-
Total Other Financing Sources (Uses)	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	-
Net Change in Fund Balance	(2,637,416)	(4,366,416)	(4,182,541)	183,875
Fund Balance, Beginning of year	<u>7,498,872</u>	<u>7,498,872</u>	<u>8,683,912</u>	<u>1,185,040</u>
Fund Balance, End of year	<u>\$ 4,861,456</u>	<u>\$ 3,132,456</u>	<u>\$ 4,501,371</u>	<u>\$ 1,368,915</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Parks and Recreation Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 2,470,400	\$ 2,470,400	\$ 3,008,843	\$ 538,443
Intergovernmental	9,150	9,150	14,154	5,004
Charges for Services	256,875	256,875	399,597	142,722
Interest Income	10,500	10,500	12,235	1,735
Other	-	-	8,219	8,219
Total Revenues	<u>2,746,925</u>	<u>2,746,925</u>	<u>3,443,048</u>	<u>696,123</u>
Expenditures				
Parks and Recreation	2,701,962	2,704,462	2,377,919	326,543
Capital Outlay	52,038	202,038	39,069	162,969
Debt Service - Principal	159,250	159,250	166,512	(7,262)
Debt Service - Interest	150,000	150,000	131,854	18,146
Total Expenditures	<u>3,063,250</u>	<u>3,215,750</u>	<u>2,715,354</u>	<u>500,396</u>
Excess Revenues Over (Under) Expenditures	(316,325)	(468,825)	727,694	1,196,519
Other Financing Sources (Uses)				
Transfers In	10,600	10,600	10,600	-
Total Other Financing Sources (Uses)	<u>10,600</u>	<u>10,600</u>	<u>10,600</u>	<u>-</u>
Net Change in Fund Balance	(305,725)	(458,225)	738,294	1,196,519
Fund Balance, Beginning of year	<u>1,554,715</u>	<u>1,554,715</u>	<u>1,798,308</u>	<u>243,593</u>
Fund Balance, End of year	<u>\$ 1,248,990</u>	<u>\$ 1,096,490</u>	<u>\$ 2,536,602</u>	<u>\$ 1,440,112</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 55,000	\$ 54,877	\$ (123)
Investment Income	36,000	36,000	26,309	(9,691)
	<u>36,000</u>	<u>36,000</u>	<u>26,309</u>	<u>(9,691)</u>
Total Revenues	<u>36,000</u>	<u>91,000</u>	<u>81,186</u>	<u>(9,814)</u>
Expenditures				
Capital Outlay	325,000	1,500,000	1,193,569	306,431
	<u>325,000</u>	<u>1,500,000</u>	<u>1,193,569</u>	<u>306,431</u>
Total Expenditures	<u>325,000</u>	<u>1,500,000</u>	<u>1,193,569</u>	<u>306,431</u>
Net Change in Fund Balance	(289,000)	(1,409,000)	(1,112,383)	296,617
Fund Balance, Beginning of year	<u>4,566,379</u>	<u>4,566,379</u>	<u>4,567,752</u>	<u>1,373</u>
Fund Balance, End of year	<u>\$ 4,277,379</u>	<u>\$ 3,157,379</u>	<u>\$ 3,455,369</u>	<u>\$ 297,990</u>

City of Rifle, Colorado
Notes to Required Supplementary Information
December 31, 2021

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, 2021

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Assets							
Cash and Investments	\$ 184,758	\$ 311,290	\$ 102,192	\$ 861,721	\$ 10,299	\$ 278,216	\$ 1,748,476
Accounts Receivable	-	-	-	7,054	-	-	7,054
Taxes Receivable	-	10,650	248	23,847	-	-	34,745
Property Taxes Receivable	-	-	44,000	-	-	-	44,000
Due from Other Governments	-	-	-	-	-	-	-
Total Assets	<u>\$ 184,758</u>	<u>\$ 321,940</u>	<u>\$ 146,440</u>	<u>\$ 892,622</u>	<u>\$ 10,299</u>	<u>\$ 278,216</u>	<u>\$ 1,834,275</u>
Liabilities							
Accounts Payable	\$ -	\$ 230	\$ 4,893	\$ 6,143	\$ -	\$ -	\$ 11,266
Deposit	-	-	-	1,400	-	-	1,400
Total Liabilities	-	230	4,893	7,543	-	-	12,666
Deferred Inflows of Resources							
Property Taxes	-	-	44,000	-	-	-	44,000
Fund Balances							
Nonspendable:							
Cemetery Perpetual Care	-	-	-	-	-	258,416	258,416
Assigned For:							
Subsequent Year's Expenditures	183,200	2,095	-	83,679	161,100	19,800	449,874
Economic Development	-	319,615	97,547	801,400	(150,801)	-	1,067,761
Unrestricted, Unassigned	1,558	-	-	-	-	-	1,558
Total Fund Balances	<u>184,758</u>	<u>321,710</u>	<u>97,547</u>	<u>885,079</u>	<u>10,299</u>	<u>278,216</u>	<u>1,777,609</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 184,758</u>	<u>\$ 321,940</u>	<u>\$ 146,440</u>	<u>\$ 892,622</u>	<u>\$ 10,299</u>	<u>\$ 278,216</u>	<u>\$ 1,834,275</u>

City of Rifle, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Conservation Trust	Visitor Improvement	Downtown Development	Tourism and Industry	Urban Renewal Authority	Perpetual Care Fund	Totals
Revenues							
Taxes	\$ -	\$ 181,110	\$ 43,764	\$ 248,566	\$ 150,684	\$ -	\$ 624,124
Intergovernmental	115,176	75,000	-	170,011	-	-	360,187
Charges for Services	-	-	-	151,641	-	22,435	174,076
Investment Income	1,911	1,300	621	5,011	800	1,641	11,284
Total Revenues	<u>117,087</u>	<u>257,410</u>	<u>44,385</u>	<u>575,229</u>	<u>151,484</u>	<u>24,076</u>	<u>1,169,671</u>
Expenditures							
Economic Development	-	105,842	39,682	432,876	-	-	578,400
Capital Outlay	-	71,630	3,370	5,883	-	8,431	89,314
Total Expenditures	<u>-</u>	<u>177,472</u>	<u>43,052</u>	<u>438,759</u>	<u>-</u>	<u>8,431</u>	<u>667,714</u>
Excess of Revenues Over (Under) Expenditures	117,087	79,938	1,333	136,470	151,484	15,645	501,957
Other Financing Sources (Uses)							
Transfers In	-	75,000	7,000	-	-	-	82,000
Transfers Out	(275,000)	(35,600)	-	-	(325,000)	-	(635,600)
Total Other Financing Sources (Uses)	<u>(275,000)</u>	<u>39,400</u>	<u>7,000</u>	<u>-</u>	<u>(325,000)</u>	<u>-</u>	<u>(553,600)</u>
Net Change in Fund Balances	(157,913)	119,338	8,333	136,470	(173,516)	15,645	(51,643)
Fund Balances, Beginning of year	<u>342,671</u>	<u>202,372</u>	<u>89,214</u>	<u>748,609</u>	<u>183,815</u>	<u>262,571</u>	<u>1,829,252</u>
Fund Balances, End of year	<u>\$ 184,758</u>	<u>\$ 321,710</u>	<u>\$ 97,547</u>	<u>\$ 885,079</u>	<u>\$ 10,299</u>	<u>\$ 278,216</u>	<u>\$ 1,777,609</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 115,176	\$ 25,176
Investment Income	1,800	1,800	1,911	111
Total Revenues	<u>91,800</u>	<u>91,800</u>	<u>117,087</u>	<u>25,287</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	<u>(50,000)</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Net Change in Fund Balance	41,800	(183,200)	(157,913)	25,287
Fund Balance, Beginning of year	<u>338,096</u>	<u>338,096</u>	<u>342,671</u>	<u>4,575</u>
Fund Balance, End of year	<u>\$ 379,896</u>	<u>\$ 154,896</u>	<u>\$ 184,758</u>	<u>\$ 29,862</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Visitor Improvement Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 121,952	\$ 121,952	\$ 181,110	\$ 59,158
Intergovernmental	102,000	152,000	75,000	(77,000)
Investment Income	1,380	1,380	1,300	(80)
	<u>225,332</u>	<u>275,332</u>	<u>257,410</u>	<u>(17,922)</u>
Total Revenues				
Expenditures				
Economic Development	86,827	136,827	105,842	30,985
Capital Outlays	180,000	180,000	71,630	108,370
	<u>266,827</u>	<u>316,827</u>	<u>177,472</u>	<u>139,355</u>
Total Expenditures				
Excess Revenues Over (Under) Expenditures	(41,495)	(41,495)	79,938	121,433
Other Financing Sources (Uses)				
Transfers In	50,000	75,000	75,000	-
Transfers Out	(35,600)	(35,600)	(35,600)	-
	<u>14,400</u>	<u>39,400</u>	<u>39,400</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(27,095)	(2,095)	119,338	121,433
Fund Balance, Beginning of year	<u>120,581</u>	<u>120,581</u>	<u>202,372</u>	<u>81,791</u>
Fund Balance, End of year	<u>\$ 93,486</u>	<u>\$ 118,486</u>	<u>\$ 321,710</u>	<u>\$ 203,224</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Downtown Development Fund
 For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 46,500	\$ 43,764	\$ (2,736)
Investment Income	575	621	46
Total Revenues	47,075	44,385	(2,690)
Expenditures			
Economic Development	50,402	39,682	10,720
Capital Outlay	2,500	3,370	(870)
Total Expenditures	52,902	43,052	9,850
Excess of Revenues Over (Under) Expenditures	(5,827)	1,333	7,160
Other Financing Sources (Uses)			
Transfers In	7,000	7,000	-
Total Other Financing Sources (Uses)	7,000	7,000	-
Net Change in Fund Balance	1,173	8,333	7,160
Fund Balance, Beginning of year	89,031	89,214	183
Fund Balance, End of year	\$ 90,204	\$ 97,547	\$ 7,343

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Tourism and Industry Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 206,050	\$ 206,050	\$ 248,566	\$ 42,516
Intergovernmental	-	78,500	170,011	91,511
Charges for Services	127,500	127,500	151,641	24,141
Investment Income	4,025	4,025	5,011	986
Other	-	-	-	-
Total Revenues	<u>337,575</u>	<u>416,075</u>	<u>575,229</u>	<u>159,154</u>
Expenditures				
Economic Development	389,254	391,754	432,876	(41,122)
Capital Outlay	22,000	108,000	5,883	102,117
Total Expenditures	<u>411,254</u>	<u>499,754</u>	<u>438,759</u>	<u>60,995</u>
Net Change in Fund Balance	(73,679)	(83,679)	136,470	220,149
Fund Balance, Beginning of year	<u>401,135</u>	<u>401,135</u>	<u>748,609</u>	<u>347,474</u>
Fund Balance, End of year	<u>\$ 327,456</u>	<u>\$ 317,456</u>	<u>\$ 885,079</u>	<u>\$ 567,623</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Urban Renewal Authority Fund
 For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 163,000	\$ 150,684	\$ (12,316)
Investment Income	900	800	(100)
Total Revenues	163,900	151,484	(12,416)
Revenues Over (Under) Expenditures	163,900	151,484	(12,416)
Other Financing Sources			
Transfers Out	(325,000)	(325,000)	-
Total Other Financing Sources	(325,000)	(325,000)	-
Net Change in Fund Balance	(161,100)	(173,516)	(12,416)
Fund Balance, Beginning of year	183,196	183,815	619
Fund Balance, End of year	\$ 22,096	\$ 10,299	\$ (11,797)

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Perpetual Care Fund
 For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 2,200	\$ 22,435	\$ 20,235
Investment Income	3,000	1,641	(1,359)
Total Revenues	<u>5,200</u>	<u>24,076</u>	<u>18,876</u>
Expenditures			
Capital Outlay	<u>25,000</u>	<u>8,431</u>	<u>16,569</u>
Total Expenditures	<u>25,000</u>	<u>8,431</u>	<u>16,569</u>
Net Change in Fund Balance	(19,800)	15,645	35,445
Fund Balance, Beginning of year	<u>260,205</u>	<u>262,571</u>	<u>2,366</u>
Fund Balance, End of year	<u>\$ 240,405</u>	<u>\$ 278,216</u>	<u>\$ 37,811</u>

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 3,700,000	\$ 3,553,995	\$ (146,005)
Sale of Meters	5,000	40,772	35,772
Other - Operating	562,140	516,469	(45,671)
Sales and Use Taxes	1,925,558	2,256,632	331,074
Investment Income	69,000	74,371	5,371
Other - Nonoperating	15,000	10,436	(4,564)
System Improvement Fees	86,145	384,574	298,429
Cash in Lieu of Fees	2,000	8,739	6,739
Intergovernmental	500,000	-	(500,000)
Total Revenues	<u>6,864,843</u>	<u>6,845,988</u>	<u>(18,855)</u>
Expenditures			
Personal Services	814,708	869,168	(54,460)
Supplies	67,000	112,698	(45,698)
Purchased Services	1,102,500	883,457	219,043
Other Expenses	-	7,112	(7,112)
Management Fees	138,890	138,890	-
Fleet Maintenance	37,500	37,981	(481)
Information Technology Maintenance	78,250	78,822	(572)
Capital Outlays	330,000	415,487	(85,487)
Interest Expense	427,575	413,578	13,997
Debt Principal Payments	1,291,078	1,283,828	7,250
Total Expenditures	<u>4,287,501</u>	<u>4,241,021</u>	<u>46,480</u>
Change in Net Position - Budgetary Basis	<u>\$ 2,577,342</u>	<u>2,604,967</u>	<u>\$ 27,625</u>
Adjustments to GAAP Basis			
Capital Outlay		52,961	
Debt Principal Payments		1,283,828	
Depreciation		<u>(1,643,702)</u>	
Change in Net Position		2,298,054	
Fund Balance, Beginning of year		<u>47,554,548</u>	
Fund Balance, End of year		<u>\$ 49,852,602</u>	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Wastewater Fund
 For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges for Services	\$ 3,840,500	\$ 3,770,632	\$ (69,868)
Intergovernmental	350,000	269,482	(80,518)
Investment Income	17,100	28,101	11,001
Other - Nonoperating	-	2,090	2,090
System Improvement Fees	100,000	374,442	274,442
Total Revenues	4,307,600	4,444,747	137,147
Expenditures			
Personal Services	585,635	570,190	15,445
Supplies	184,000	222,651	(38,651)
Purchased Services	811,550	492,112	319,438
Other Expense	-	-	-
Management Fees	85,268	85,268	-
Fleet Maintenance	27,817	35,067	(7,250)
Information Technology Maintenance	46,722	46,722	-
Capital Outlays	900,000	567,460	332,540
Interest Expense	274,302	266,907	7,395
Debt Principal Payments	945,454	938,204	7,250
Total Expenditures	3,860,748	3,224,581	636,167
Revenues Over (Under) Expenditures	446,852	1,220,166	773,314
Change in Net Position - Budgetary Basis	\$ 446,852	1,220,166	\$ 773,314
Adjustments to GAAP Basis			
Capital Outlay		567,460	
Debt Principal Payments		938,204	
Depreciation		(1,065,072)	
Change in Net Position		1,660,758	
Fund Balance, Beginning of year		21,005,428	
Fund Balance, End of year		\$ 22,666,186	

City of Rifle, Colorado
 Budgetary Comparison Schedule
 Sanitation Fund
 For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues				
Charges for Services	\$ 710,300	\$ 710,300	\$ 744,339	\$ 34,039
Other - Operating	-	-	2,636	2,636
Investment Income	2,000	2,000	820	(1,180)
Total Revenues	712,300	712,300	747,795	35,495
Expenditures				
Personal Services	14,319	14,319	13,906	413
Purchased Services	687,500	707,500	704,400	3,100
Other Expenses	-	-	-	-
Management Fees	29,912	29,912	29,912	-
Information Technology Maintenance	1,070	1,070	1,070	-
Total Expenditures	732,801	752,801	749,288	3,513
Revenues Over (Under) Expenditures	(20,501)	(40,501)	(1,493)	31,982
Transfers				
Transfers Out	(2,000)	(2,000)	(2,000)	-
Change in Net Position - Budgetary Basis	\$ (22,501)	\$ (42,501)	(3,493)	\$ 31,982
Adjustments to GAAP Basis				
None			-	
Change in Net Position			(3,493)	
Fund Balance, Beginning of year			161,297	
Fund Balance, End of year			\$ 157,804	

State Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT	City or County: CITY OF RIFLE
	YEAR ENDING : December 2021

This Information From The Records Of: City of Rifle	Prepared By: Michelle Duran, finance Director Phone: 970.665.6449
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,832,867
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,566,397
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	164,935
2. General fund appropriations	1,831,945	b. Snow and ice removal	41,509
3. Other local imposts (from page 2)	1,942,975	c. Other	27,913
4. Miscellaneous local receipts (from page 2)	124,466	d. Total (a. through c.)	234,358
5. Transfers from toll facilities	0	4. General administration & miscellaneous	241,223
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,199,974
a. Bonds - Original Issues	0	6. Total (1 through 5)	8,074,819
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	3,899,386	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	378,843	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	4,278,229	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	8,074,819

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	391,269	4,278,229	8,074,819	(3,405,321)	-

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE:
	Colorado
	YEAR ENDING (mm/yy): December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	41,122
b. Other local imposts:		b. Traffic Fines & Penalties	83,344
1. Sales Taxes	1,504,422	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	57,179	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	381,374	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,942,975	h. Other- Garfield FMLD Grants	0
c. Total (a. + b.)	1,942,975	i. Total (a. through h.)	124,466
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	335,125	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	43,718	d. Federal Transit Admin	0
d. DOLA Grants	0	e. U.S. Corps of Engineers	0
e.	0	f. Other Federal	0
f. Cdot	0		
g. Total (a. through f.)	43,718	g. Total (a. through g.)	0
4. Total (1. + 2. + 3.f)	378,843	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		33,636	33,636
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		4,582,738	4,582,738
(4). System Enhancement & Operation		216,493	216,493
(5). Total Construction (1) + (2) + (3) + (4)	0	4,799,231	4,799,231
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,832,867	4,832,867
			(Carry forward to page 1)

Notes and Comments: