



2020 FINANCIAL STATEMENTS

MAKING



COUNT

**CITY OF WHEAT RIDGE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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## **INTRODUCTORY SECTION**

**CITY OF WHEAT RIDGE  
CITY OFFICIALS  
DECEMBER 31, 2020**

**MAYOR**

Bud Starker

**CITY COUNCIL**

**District 1**

Judy Hutchinson  
Janece Hoppe

**District 2**

Zachary Urban  
Rachel Hultin

**District 3**

Korey Stites  
Amanda Weaver

**District 4**

Leah Dozeman  
Valerie Nosler Beck

**CITY CLERK**

Stephen Kirkpatrick

**MUNICIPAL JUDGE**

Christopher Randall

**CITY TREASURER**

Christopher Miller

**CITY ATTORNEY**

Gerald Dahl

**CITY MANAGER**

Patrick Goff

**DIRECTOR OF ADMINISTRATIVE SERVICES**

Allison Scheck

**DIRECTOR OF COMMUNITY DEVELOPMENT**

Kenneth Johnstone

**DIRECTOR OF PARKS & RECREATION**

Karen O'Donnell

**DIRECTOR OF PUBLIC WORKS**

Greg Knudson

**CHIEF OF POLICE**

Christopher Murtha

**FINANCE MANAGER**

Mark Colvin

**HUMAN RESOURCES MANAGER**

Michael Clasen

**PURCHASING AND CONTRACTING AGENT**

Jennifer Nellis

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council  
City of Wheat Ridge, Colorado  
Wheat Ridge, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules on pages 4-13 and 38-41 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wheat Ridge, Colorado's basic financial statements. The combining and individual fund statements and schedules and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the local highway finance report, and the schedule of expenditures of federal awards are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable Mayor and Members of City Council  
City of Wheat Ridge, Colorado

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
July 2, 2021

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

As management of the City of Wheat Ridge, we offer this narrative overview and analysis of the financial activities of the City of Wheat Ridge for the fiscal year ended December 31, 2020. Please read it in conjunction with the City's financial statements, which follow this section.

**Financial Highlights**

- The assets of the City of Wheat Ridge exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$97.7 million (net position). Of this amount, \$13.7 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2020, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$29.8 million, a decrease of approximately \$8.2 million compared to the prior year. Approximately \$7.9 million (27%), is available for spending at the City's discretion (unassigned fund balance).
- At the end of the fiscal year 2020, unassigned fund balance for the General Fund was \$7.9 million, or 21% of total General Fund expenditures.
- General Fund actual revenues were \$2.6 million less than final budgeted revenue for the fiscal year 2020 and actual expenditures were \$3.9 million less than final budgeted expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Wheat Ridge's basic financial statements. The 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 themselves.

**Government-wide financial statements.** The government-wide financial statements report information on all activities of the City and its component unit (Wheat Ridge Urban Renewal Authority). The statement of net position includes all of the City's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The *statement of net position* presents information on all of the City of Wheat Ridge's assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Wheat Ridge is improving or deteriorating.

The *statement of activities* presents information showing how the City of Wheat Ridge's net position changed during fiscal year 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

The government-wide financial statements include not only the City itself, but also the legally separate Wheat Ridge Urban Renewal Authority for which the City is financially accountable.

The governmental activities of the City include general government, economic development, community development, police, public works, and parks and recreation.

**Fund financial statements.** The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law (like the Police Investigation Fund).
- The City Council establishes other funds to control and manage money for particular purposes (like the Public Art Fund) or to show that it is properly using certain taxes and grants (like the Conservation Trust Fund).

The City has one type of fund:

**Governmental funds** – All of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether or not there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information on the subsequent pages is provided to explain the relationship (or differences) between them.

### **Financial Analysis of the City as a Whole**

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wheat Ridge, assets exceeded liabilities and deferred inflows of resources by \$97.7 million at the close of the 2020 fiscal year.

By far the largest portion of the City of Wheat Ridge's net position (77%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City of Wheat Ridge uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City of Wheat Ridge's net position (9.3%) represents resources that are subject to external restrictions on how they may be used (capital projects, open space and parks, police investigations, crime prevention activities, government access channel and emergency reserves). The remaining balance of unrestricted net position (\$13.7 million) may be used to meet the City's obligations to citizens and creditors.

At the end of the current fiscal year, the City of Wheat Ridge is able to report positive balances in net position for the City as a whole. The same situation held true for the prior fiscal year.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

**City of Wheat Ridge Net Position**

|                                  | Governmental Activities |               |
|----------------------------------|-------------------------|---------------|
|                                  | 2020                    | 2019          |
| Current and Other Assets         | \$ 33,911,277           | \$ 45,140,320 |
| Capital Assets                   | 91,582,207              | 77,762,531    |
| Total Assets                     | 125,493,484             | 122,902,851   |
| Other Liabilities                | 2,824,116               | 4,994,807     |
| Long-Term Liabilities            | 23,836,303              | 26,445,026    |
| Total Liabilities                | 26,660,419              | 31,439,833    |
| Deferred Inflows of Resources    | 1,147,329               | 1,139,393     |
| Net Position                     |                         |               |
| Net Investment in Capital Assets | 74,896,281              | 63,074,600    |
| Restricted                       | 9,100,455               | 14,938,563    |
| Unrestricted                     | 13,689,000              | 12,310,462    |
| Total Net Position               | \$ 97,685,736           | \$ 90,323,625 |

**Changes in Net Position**

**Governmental activities.**

- Current and other assets decreased 25% primarily due to a decrease in cash and investments relating primarily to additional capital outlays and expenditures as part of the Investing 4 the Future Fund.
- Capital assets increased by 18% due to construction in process primarily due to the public infrastructure completed for the Clear Creek Crossing and the Wheat Ridge Ward Station developments.
- Long-term liabilities decreased mostly due to payments of principal and interest on Sales and Use Tax Revenue Bonds Series 2017A.
- Other Liabilities decreased relating to a significant overpayment of use tax in 2019 which was outstanding as of the end of 2019 and refunded during 2020.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

**City of Wheat Ridge Changes in Net Position**

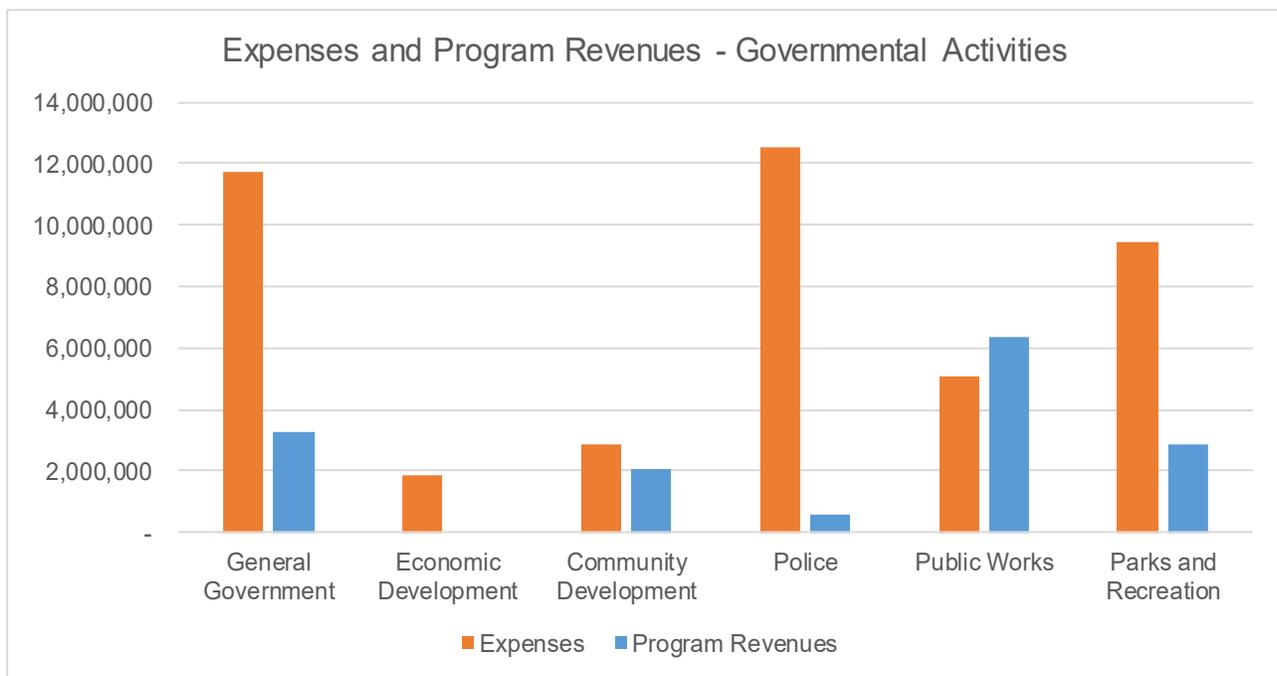
|                                    | 2020          | 2019          |
|------------------------------------|---------------|---------------|
| <b>REVENUES</b>                    |               |               |
| Program Revenues                   |               |               |
| Charges for Services               | \$ 4,774,318  | \$ 6,541,212  |
| Operating Grants and Contributions | 4,139,682     | 2,329,594     |
| Capital Grants and Contributions   | 6,207,250     | 5,321,376     |
| General Revenues                   |               |               |
| Property Taxes                     | 1,117,830     | 1,005,826     |
| Sales Taxes                        | 25,045,729    | 24,021,983    |
| Use Taxes                          | 5,936,103     | 4,751,330     |
| Franchise Taxes                    | 1,549,347     | 1,570,323     |
| Lodgers Taxes                      | 850,196       | 1,512,718     |
| Other Taxes                        | 741,664       | 691,927       |
| Investment Income                  | 410,583       | 938,408       |
| Miscellaneous                      | 710,835       | 637,917       |
| Total Revenues                     | 51,483,537    | 49,322,614    |
| <b>EXPENSES</b>                    |               |               |
| General Government                 | 11,720,416    | 12,980,705    |
| Economic Development               | 1,854,486     | 1,721,000     |
| Community Development              | 2,875,501     | 1,645,242     |
| Police                             | 12,533,220    | 11,908,913    |
| Public Works                       | 5,100,882     | 8,867,412     |
| Parks and Recreation               | 9,423,226     | 10,140,461    |
| Interest on Long-Term Debt         | 613,695       | 678,599       |
| Total Expenses                     | 44,121,426    | 47,942,332    |
| <b>CHANGE IN NET POSITION</b>      | 7,362,111     | 1,380,282     |
| Net Position - Beginning of Year   | 90,323,625    | 88,943,343    |
| <b>NET POSITION - END OF YEAR</b>  | \$ 97,685,736 | \$ 90,323,625 |

*General Government expenses include budgets for the City Treasurer, Legislative Services, Financial Services, City Manager, City Attorney, City Clerk's Office, Municipal Court, Administrative Services, Human Resources, Purchasing and Contracting, Information Technology and Central Charges.*

- Although the City experienced a significant decrease in revenues associated with Charges for Services, Lodgers Taxes and Investment Income due to the COVID-19 pandemic, total revenue growth compared to 2019 is 4.4% higher. This increase is mostly attributable to an increase in Sales and Use Tax and Operating and Capital Grants and Contributions.
- Despite the COVID-19 pandemic on-going during most of 2020, Sales Tax, Use Tax, and Property Tax revenue increased 7.8% in total compared to 2019 which is considered to be attributable to strong economic conditions in Wheat Ridge underlying the pandemic.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

- Charges for Services decreased 27% and Lodgers Taxes decreased 43.8% compared to 2019. Both of these decreases are a result of parks and recreation facility closures and quarantine and travel restrictions due to COVID-19.
- Operating Grants and Contributions increased 77.7% primarily relating to the Coronavirus Relief Fund amount passed-through to the City from Jefferson County which was used in responding to the public health crisis and financial impact to the community from COVID-19.
- Capital Grants and Contributions increased 16.6% relating to grant revenue for the Wadsworth improvement project.
- Expenses in general are 8.0% lower than 2019 due to an enterprise-wide reduction in spending in response to uncertainties surrounding COVID-19.



**Financial Analysis of the City's Funds**

The focus of the City of Wheat Ridge's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Wheat Ridge's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2020, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$29.8 million, a decrease of \$8.2 million in comparison with the prior year. Approximately 27% of this total amount (\$7.9 million) constitutes unassigned fund balance, which is available for spending at the City's discretion.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted or shown as nonspendable for:

|   |             |
|---|-------------|
| • Developer Loan Receivable                 | \$1,085,000 |
| • Prepaid Items                             | \$226,431   |
| • Capital Projects – Investing 4 the Future | \$8,553,991 |
| • Open space and parks                      | \$4,427,363 |
| • Police Investigations Fund                | \$37,016    |
| • Crime Prevention Activities Fund          | \$292,218   |
| • Government Access Channel                 | \$225,072   |
| • TABOR-mandated emergency reserves         | \$1,330,000 |

or committed to:

|                        |           |
|------------------------|-----------|
| • Municipal Court Fund | \$94,335  |
| • Public Art Fund      | \$274,164 |

or assigned to:

|   |             |
|---|-------------|
| • General Fund subsequent year's budget | \$1,274,671 |
| • Capital Projects Fund                 | \$3,961,205 |
| • Capital Equipment Replacement Fund    | \$87,206    |

The General Fund is the chief operating fund of the City of Wheat Ridge. At the end of fiscal year 2020, unassigned fund balance of the General Fund was \$7.9 million, while total General Fund balance decreased to approximately \$12 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21% of total General Fund expenditures, while total fund balance represents 32% of that same amount.

The Open Space Fund was created in 1972 for the purpose of acquiring, developing and maintaining open space and park properties within the City of Wheat Ridge. Major projects in 2020 and 2019 include Prospect Park Phases I, park playground renovations, and Anderson Park renovations. At the end of 2020, the Open Space Fund balance was nearly \$1.2 million higher than the prior year due to the timing of project expenditures, with fewer project expenditures incurred in 2020 compared to 2019.

The Capital Projects Fund uses assigned funds to upgrade, maintain and expand the City of Wheat Ridge facilities, buildings, grounds, streets, parks and roads. Compared to 2019, capital outlays were \$3.5 million higher in 2020 primarily due to the City's share of the Wadsworth improvement project.

While the City continues to receive revenues from the ½ of 1% sales and use tax rate increase in 2017, expenditures in the Investing 4 the Future fund have increased significantly due to continued project spending on Clear Creek Crossing and the Wadsworth improvement project.

The City of Wheat Ridge has seven non-major funds that are restricted for, committed to, and assigned to a variety of purposes. The combined fund balance is \$1.6 million, which is comparable to 2019.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

**General Fund Budgetary Highlights**

The original budget was amended by City Council for a total of \$1,901,148 in supplemental budget appropriations throughout the 2020 fiscal year. These amendments can be briefly summarized as follows:

Supplemental Budget Appropriations: Organized from largest to smallest expenditure

- \$1,314,880 allocated for re-encumbrance of 2019 encumbered funds
- \$250,000 allocated for Phase 1 of the Business Recovery Program
- \$250,000 allocated for Phase 2 of the Business Stabilization Program
- \$36,268 allocated for the replacement of a police vehicle
- \$35,000 allocated for City Attorney Fees
- \$15,000 allocated for funding the historic structure assessment grant

During the 2020 fiscal year, unassigned fund balance in the General Fund decreased to \$7.9 million, a decrease of \$2.7 million from the previous year. Part of the decrease relates to \$1.3 million presented as assigned fund balance in 2020 relating to the 2021 budget adopted with an anticipated use of fund balance to balance the budget. The remaining decrease is due to a combination of increased expenditures relating to COVID relief and other additional expenditures in 2020 compared to 2019.

The 2020 General Fund budget was adopted without using any of the fund balance to balance the budget. However, the final budget allocated \$3,600,000 of the fund balance to the Capital Projects Fund for capital improvements and \$100,000 to the Equipment Replacement fund.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Wheat Ridge's investment in capital assets for its governmental activities as of December 31, 2020 amounts to \$91.6 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, construction in progress, land improvements, buildings, vehicles, machinery and equipment, infrastructure, software and solar power capacity. Additional information on capital assets is provided in Note 4 of the financial statements.

Major capital asset events during the 2020 fiscal year totaled \$18.0 million and included the following:

- Land in the amount of \$128,227 million
  - Contributed land relating to right of way
- Construction in Progress in the amount of \$17.0 million
  - Clear Creek Crossing
  - Wadsworth widening project
  - City Hall project
  - Bonnie's Park project
  - Public improvement projects
- Buildings and Structures in the amount of \$244,613
  - Upgrades to the Public Works Engineering building
  - Replacement of the HVAC system to the Recreation Center
  - Upgrades to audio-visual equipment in City conference rooms

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

- Vehicles in the amount of \$477,382
  - One Public Works backhoe
  - Three Parks and Recreation Maintenance trucks
  - Two Parks and Recreation Forestry trucks
  - Three Police Patrol utility vehicles
  - Two Police Traffic Enforcement trucks
- Machinery and Equipment in the amount of \$149,822
  - One wide-format printer
  - Traffic signal upgrade
  - One John Deere mower
  - School playground equipment
- Software in the amount of \$6,229
  - Parks and Recreation Setpoint IntelliWEB and IntelliVIZ software upgrade

**City of Wheat Ridge's Capital Assets  
(Net of Depreciation)**

|                          | 2020          | 2019          |
|--------------------------|---------------|---------------|
| Land                     | \$ 16,259,787 | \$ 16,131,560 |
| Artwork                  | 196,795       | 196,795       |
| Construction in Progress | 31,556,759    | 14,716,237    |
| Land Improvements        | 17,424,154    | 18,184,356    |
| Buildings                | 9,612,976     | 9,982,732     |
| Vehicles                 | 2,660,146     | 2,607,715     |
| Machinery and Equipment  | 2,153,783     | 2,516,872     |
| Infrastructure           | 11,094,906    | 12,737,204    |
| Software                 | 69,552        | 96,880        |
| Solar Power Capacity     | 553,349       | 592,180       |
| Total Capital Assets     | \$ 91,582,207 | \$ 77,762,531 |

**Long-term debt.** At the end of the 2020 fiscal year, the City of Wheat Ridge had total long-term debt outstanding of \$23.8 million. Of this amount, \$3.3 million is due within one year. This total debt represents future bond principal payable from the Investing 4 the Future Fund sales and use tax, and compensated absences, claims payable, and lease payments for solar panels, which are expected to be liquidated primarily with revenues of the General Fund. Additional information for long-term debt is provided in Note 5 to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The City's sales and use tax rate until December 31, 2016 was 3%. The rate then increased by .5% to 3.5% by authority of the November 2016 ballot measure. The mill levy was 1.830 mills. Both rates are among the lowest in the Denver metro area. Pursuant to the November 2016 ballot measure, the City issued \$30,595,000 in bonds on May 2, 2017. These funds are managed in restricted revenue Fund 31, Investing 4 the Future.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

The impact of the COVID-19 global pandemic was not as severe on the City's revenues as originally predicted. The Wheat Ridge local economy performed well, resulting in continued growth in sales tax and development related revenues. Some areas of the City's revenues, however, were severely impacted in 2020 and are anticipated to experience slower recoveries in 2021 and beyond. These revenues include lodgers' taxes, a funding source for the General, Crime Prevention and Capital Improvement Program funds; recreation related charges for services; and interest. The City will receive approximately \$7.9 million in 2021 and 2022 from the American Rescue Plan Act to assist in the recovery of the pandemic and respond to the negative economic impacts of COVID-19.

Economic development at the Appleridge Shopping Center has resulted in the backfilling of the former Walmart location which closed in 2017. While the four retail tenants that took over the space in the fourth quarter of 2019 experienced a slow start due to the pandemic, recent activity shows strength in sales as the community emerges from the pandemic. This same shopping center has benefited from the arrival of Uncle Julio's Hacienda Colorado, and a large Starbucks location. Applejack Wine and Spirits is undergoing a renovation which is expected to result in incremental sales tax revenues.

The Corners at Wheat Ridge is nearing completion with the addition of multifamily housing and the addition of Raising Cane's quick serve restaurant. Unfortunately, in 2020, its major tenant, Lucky's Market closed due to corporate financing and work is in progress to backfill the space. When the project is fully built out, an additional 75,000 sq. ft. of commercial retail space will be added to the City. The project is projected to generate approximately \$650,000 in sales tax revenue annually, although backfilling the grocery store loss is challenging in the economic climate caused by the pandemic.

The Clear Creek Crossing project entitlements and public finance agreement were approved in 2018 and infrastructure construction, including new access ramps, is nearing completion. The first business on the new development, a Kum and Go gas station, opened in 2021 along with a multifamily housing development. A credit union is currently under construction and a hotel and fitness facility are under review with the City. The developer is finalizing the leasing plan for potential tenants to include retail, hospitality and entertainment but negotiations have slowed due to the pandemic. SCL Health broke ground in June 2021 on a multi-year construction project of a medical campus which will result in significant development-related revenues for the City. As the timing of the retail portion of the development is uncertain, no new sales tax revenues have been budgeted in 2021. The Longs Peak Metropolitan District (LPMD) will reimburse the City \$507,038 for the environmental assessment expense and approximately \$10 million for the access ramp construction. The reimbursement will likely occur in 2022 when the LPMD issues bonds for the Clear Creek Crossing project. This reimbursement revenue has not been factored into the 2021 budget. Once the project is fully built out, sales tax, lodging, admissions and use tax revenue is projected to total \$1.8 million annually.

Renewal Wheat Ridge (RWR), the City's Urban Renewal Authority, will issue tax-exempt bonds in September 2021 to fund various capital projects within the I-70/Kipling Corridors Urban Renewal Plan Area. The total bond issuance will provide approximately \$40 million in project funds to be used by RWR and the City to construct public improvements in the Plan Area. Projects funded through this program target the Area's transportation corridors and include the completion of the street, right-of-way, trail and pedestrian bridge infrastructure at the Wheat Ridge Ward commuter rail station; improvements to major intersections; development assistance for public improvements of commercial developments; and drainage improvements.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

While the pandemic slowed other commercial redevelopment projects across the City, projects are now back on track and are projected to increase sales tax revenue starting in 2021. The redeveloped Gold's Marketplace site at 26<sup>th</sup> and Kipling has attracted Esters Neighborhood Pub and Queen City Coffee and the improvements are expected to attract additional tenants and allow existing tenants to expand their operations. Due to the pandemic, and in line with communities across the country, local small businesses are currently struggling to attract and retain hourly workers, in some cases slowing the opening of new businesses.

The adopted 2021 fiscal year budget is \$59.5 million. It includes a \$37.6 million operating budget, a \$3.5 million Investing 4 the Future capital projects budget, a \$13.9 million CIP budget and \$4.5 million for special revenue budgets.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Wheat Ridge's finances for those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Administrative Services Director  
City of Wheat Ridge  
7500 W. 29<sup>th</sup> Avenue  
Wheat Ridge, Colorado 80033

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WHEAT RIDGE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

|   | Primary Government<br>Governmental<br>Activities | Component Unit<br>Urban Renewal<br>Authority |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| Cash and Investments  | \$ 16,472,143                                    | \$ 2,154,500                                 |
| Restricted Cash and Investments   | 8,513,550  | 946,116                                      |
| Accounts Receivable   | 3,590,445  | 185,249                                      |
| Property Taxes Receivable   | 1,147,329  | 1,850,373                                    |
| Intergovernmental Receivables   | 2,876,379  | -  |
| Loans Receivable  | 1,085,000  | -  |
| Prepaid Items   | 226,431  | -  |
| Property Held for Resale  | -  | 330,299                                      |
| Capital Assets, Not Being Depreciated                                     | 48,013,341                                       | 4,999,880                                    |
| Capital Assets, Net of Depreciation                                       | 43,568,866                                       | -  |
| Total Assets  | 125,493,484                                      | 10,466,417                                   |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES<br/>AND NET POSITION</b> |  |  |
| Liabilities   |  |  |
| Accounts Payable  | 1,723,613  | 718,470                                      |
| Accrued Liabilities   | 738,889  | -  |
| Retainage Payable   | 23,070   | -  |
| Refundable Deposits   | 214,346  | -  |
| Unearned Revenues   | 51,985   | -  |
| Accrued Interest Payable  | 72,213   | 84,832                                       |
| Noncurrent Liabilities  |  |  |
| Due Within One Year   | 3,336,340  | 330,000                                      |
| Due in More than One Year   | 20,499,963                                       | 7,562,084                                    |
| Total Liabilities   | 26,660,419                                       | 8,695,386                                    |
| Deferred Inflows of Resources   |  |  |
| Property Taxes  | 1,147,329  | 1,850,373                                    |
| Total Deferred Inflows  | 1,147,329  | 1,850,373                                    |
| Net Position  |  |  |
| Net Investment in Capital Assets  | 74,896,281                                       | -  |
| Restricted for:   |  |  |
| Capital Projects  | 2,788,786  | -  |
| Open Space and Parks  | 4,427,363  | -  |
| Police Investigations   | 37,016   | -  |
| Crime Prevention Activities   | 292,218  | -  |
| Government Access Channel   | 225,072  | -  |
| Emergencies   | 1,330,000  | -  |
| Unrestricted  | 13,689,000                                       | (79,342)                                     |
| Total Net Position  | \$ 97,685,736                                    | \$ (79,342)                                  |

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

| Functions/Programs                      | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue and Change in Net Position |                         |
|---|----------------------|----------------------|------------------------------------|----------------------------------|--|-------------------------|
|   |                      |                      |                                    |                                  | Primary Government                               | Component Unit          |
|   |                      |                      |                                    |                                  | Governmental Activities                          | Urban Renewal Authority |
| <b>Primary Government</b>               |                      |                      |                                    |                                  |  |                         |
| <b>Governmental Activities</b>          |                      |                      |                                    |                                  |  |                         |
| General Government                      | \$ 11,720,416        | \$ 507,643           | \$ 2,539,166                       | \$ 224,374                       | \$ (8,449,233)                                   | \$ -                    |
| Economic Development                    | 1,854,486            | -                    | -                                  | -                                | (1,854,486)                                      | -                       |
| Community Development                   | 2,875,501            | 2,055,059            | -                                  | -                                | (820,442)  | -                       |
| Police                                  | 12,533,220           | 432,308              | 139,923                            | -                                | (11,960,989)                                     | -                       |
| Public Works                            | 5,100,882            | 370,482              | 1,460,593                          | 4,540,728                        | 1,270,921  | -                       |
| Parks and Recreation                    | 9,423,226            | 1,408,826            | -                                  | 1,442,148                        | (6,572,252)                                      | -                       |
| Interest on Long-term debt              | 613,695              | -                    | -                                  | -                                | (613,695)  | -                       |
| <b>Total Primary Government</b>         | <b>\$ 44,121,426</b> | <b>\$ 4,774,318</b>  | <b>\$ 4,139,682</b>                | <b>\$ 6,207,250</b>              | <b>(29,000,176)</b>                              | <b>-</b>                |
| <b>Component Unit</b>                   |                      |                      |                                    |                                  |  |                         |
| Urban Renewal Authority                 | \$ 2,676,905         | \$ -                 | \$ 300,000                         | \$ -                             |  | (2,376,905)             |
| <b>General Revenues</b>                 |                      |                      |                                    |                                  |  |                         |
| Property Taxes                          |                      |                      |                                    |                                  | 1,117,830  | 1,171,292               |
| Sales Taxes                             |                      |                      |                                    |                                  | 25,045,729                                       | 870,716                 |
| Use Taxes                               |                      |                      |                                    |                                  | 5,936,103  | -                       |
| Franchise Taxes                         |                      |                      |                                    |                                  | 1,549,347  | -                       |
| Lodgers Taxes                           |                      |                      |                                    |                                  | 850,196  | -                       |
| Other Taxes                             |                      |                      |                                    |                                  | 741,664  | -                       |
| Investment Income                       |                      |                      |                                    |                                  | 410,583  | 10,950                  |
| Miscellaneous                           |                      |                      |                                    |                                  | 710,835  | -                       |
| <b>Total General Revenues</b>           |                      |                      |                                    |                                  | <b>36,362,287</b>                                | <b>2,052,958</b>        |
| <b>Change in Net Position</b>           |                      |                      |                                    |                                  | <b>7,362,111</b>                                 | <b>(323,947)</b>        |
| <b>Net Position - Beginning of Year</b> |                      |                      |                                    |                                  | <b>90,323,625</b>                                | <b>244,605</b>          |
| <b>Net Position - End of Year</b>       |                      |                      |                                    |                                  | <b>\$ 97,685,736</b>                             | <b>\$ (79,342)</b>      |

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

|   | General              | Open<br>Space       | Capital<br>Projects | Investing 4<br>the Future | Other<br>Governmental<br>Funds | Totals               |
|---|----------------------|---------------------|---------------------|---------------------------|--------------------------------|----------------------|
| <b>ASSETS</b>   |                      |                     |                     |                           |                                |                      |
| Cash and Investments  | \$ 9,021,329         | \$ 3,389,770        | \$ 2,480,670        | \$ -                      | \$ 1,580,374                   | \$ 16,472,143        |
| Restricted Cash and Investments   | -                    | -                   | -                   | 8,513,550                 | -                              | 8,513,550            |
| Accounts Receivable   | 3,105,643            | -                   | 9,515               | 461,021                   | 14,266                         | 3,590,445            |
| Property Taxes Receivable   | 1,147,329            | -                   | -                   | -                         | -                              | 1,147,329            |
| Intergovernmental Receivables   | 388,089              | 262,338             | 2,186,123           | 39,829                    | -                              | 2,876,379            |
| Loans Receivable  | 1,085,000            | -                   | -                   | -                         | -                              | 1,085,000            |
| Prepaid Items   | 226,431              | -                   | -                   | -                         | -                              | 226,431              |
| Total Assets  | <u>\$ 14,973,821</u> | <u>\$ 3,652,108</u> | <u>\$ 4,676,308</u> | <u>\$ 9,014,400</u>       | <u>\$ 1,594,640</u>            | <u>\$ 33,911,277</u> |
| <b>LIABILITIES</b>  |                      |                     |                     |                           |                                |                      |
| Accounts Payable  | \$ 817,354           | \$ 190              | \$ 437,647          | \$ 460,409                | \$ 8,013                       | \$ 1,723,613         |
| Accrued Liabilities   | 712,646              | 12,810              | -                   | -                         | 13,433                         | 738,889              |
| Retainage Payable   | -                    | -                   | 23,070              | -                         | -                              | 23,070               |
| Refundable Deposits   | 214,346              | -                   | -                   | -                         | -                              | 214,346              |
| Unearned Revenues   | 51,985               | -                   | -                   | -                         | -                              | 51,985               |
| Total Liabilities   | <u>1,796,331</u>     | <u>13,000</u>       | <u>460,717</u>      | <u>460,409</u>            | <u>21,446</u>                  | <u>2,751,903</u>     |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>                                    |                      |                     |                     |                           |                                |                      |
| Property Taxes  | 1,147,329            | -                   | -                   | -                         | -                              | 1,147,329            |
| Grants  | -                    | -                   | 254,406             | -                         | -                              | 254,406              |
| Total Deferred Inflows  | <u>1,147,329</u>     | <u>-</u>            | <u>254,406</u>      | <u>-</u>                  | <u>-</u>                       | <u>1,401,735</u>     |
| <b>FUND BALANCES</b>  |                      |                     |                     |                           |                                |                      |
| Nonspendable  |                      |                     |                     |                           |                                |                      |
| Loans Receivable  | 1,085,000            | -                   | -                   | -                         | -                              | 1,085,000            |
| Prepaid Items   | 226,431              | -                   | -                   | -                         | -                              | 226,431              |
| Restricted For:   |                      |                     |                     |                           |                                |                      |
| Capital Projects  | -                    | -                   | -                   | 8,553,991                 | -                              | 8,553,991            |
| Open Space and Parks  | -                    | 3,639,108           | -                   | -                         | 788,255                        | 4,427,363            |
| Police Investigations   | -                    | -                   | -                   | -                         | 37,016                         | 37,016               |
| Crime Prevention Activities   | -                    | -                   | -                   | -                         | 292,218                        | 292,218              |
| Government Access Channel   | 225,072              | -                   | -                   | -                         | -                              | 225,072              |
| Emergencies   | 1,330,000            | -                   | -                   | -                         | -                              | 1,330,000            |
| Committed to:   |                      |                     |                     |                           |                                |                      |
| Municipal Court   | -                    | -                   | -                   | -                         | 94,335                         | 94,335               |
| Public Art  | -                    | -                   | -                   | -                         | 274,164                        | 274,164              |
| Assigned to:  |                      |                     |                     |                           |                                |                      |
| Subsequent Year's Budget  | 1,274,671            | -                   | -                   | -                         | -                              | 1,274,671            |
| Capital Projects  | -                    | -                   | 3,961,185           | -                         | -                              | 3,961,185            |
| Equipment Replacement   | -                    | -                   | -                   | -                         | 87,206                         | 87,206               |
| Unassigned  | 7,888,987            | -                   | -                   | -                         | -                              | 7,888,987            |
| Total Fund Balances   | <u>12,030,161</u>    | <u>3,639,108</u>    | <u>3,961,185</u>    | <u>8,553,991</u>          | <u>1,573,194</u>               | <u>29,757,639</u>    |
| Total Liabilities,<br>Deferred Inflows of<br>Resources and<br>Fund Balances | <u>\$ 14,973,821</u> | <u>\$ 3,652,108</u> | <u>\$ 4,676,308</u> | <u>\$ 9,014,400</u>       | <u>\$ 1,594,640</u>            | <u>\$ 33,911,277</u> |

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

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

|  |               |
|--|---------------|
| Total Fund Balances of Governmental Funds  | \$ 29,757,639 |
| Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in governmental funds.   | 91,582,207    |
| Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred inflows of resources in the governmental funds and thus are not included in fund balance. |               |
| Intergovernmental Revenues   | 254,406       |
| Long-term liabilities and related items are not due and payable in the current year, and therefore are not reported in governmental funds.   |               |
| Bonds Payable  | (20,365,000)  |
| Bond Premium   | (1,285,201)   |
| Capital Lease Payable  | (579,873)     |
| Accrued Compensated Absences   | (1,462,804)   |
| Claims Payable   | (143,425)     |
| Accrued Interest Payable   | (72,213)      |
|  | (23,868,510)  |
| Total Net Position of Governmental Activities  | \$ 97,685,736 |

**CITY OF WHEAT RIDGE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

|   | General              | Open<br>Space       | Capital<br>Projects | Investing 4<br>the Future | Other<br>Governmental<br>Funds | Totals               |
|---|----------------------|---------------------|---------------------|---------------------------|--------------------------------|----------------------|
| <b>REVENUES</b>   |                      |                     |                     |                           |                                |                      |
| Taxes   | \$ 30,368,986        | \$ -                | \$ 169,561          | \$ 4,423,892              | \$ 278,430                     | \$ 35,240,869        |
| Licenses and Permits                                    | 1,799,811            | -                   | -                   | -                         | -                              | 1,799,811            |
| Intergovernmental                                       | 4,147,182            | 1,442,148           | 4,955,543           | -                         | 323,951                        | 10,868,824           |
| Charges for Services                                    | 2,321,022            | 349,621             | 23,414              | -                         | 10,351                         | 2,704,408            |
| Fines and Forfeitures                                   | 252,161              | -                   | -                   | -                         | 17,938                         | 270,099              |
| Investment Income                                       | 165,104              | 5,837               | 8,375               | 223,899                   | 7,368                          | 410,583              |
| Miscellaneous   | 326,657              | 10,000              | -                   | 287,208                   | 300                            | 624,165              |
| Total Revenues  | <u>39,380,923</u>    | <u>1,807,606</u>    | <u>5,156,893</u>    | <u>4,934,999</u>          | <u>638,338</u>                 | <u>51,918,759</u>    |
| <b>EXPENDITURES</b>                                     |                      |                     |                     |                           |                                |                      |
| Current   |                      |                     |                     |                           |                                |                      |
| General Government                                      | 9,731,696            | -                   | -                   | 1,085,172                 | 6,927                          | 10,823,795           |
| Economic Development                                    | 1,850,590            | -                   | -                   | -                         | -                              | 1,850,590            |
| Community Development                                   | 2,821,771            | -                   | -                   | -                         | -                              | 2,821,771            |
| Police  | 11,714,266           | -                   | -                   | -                         | 466,180                        | 12,180,446           |
| Public Works  | 2,955,597            | -                   | 168                 | -                         | -                              | 2,955,765            |
| Parks and Recreation                                    | 7,458,574            | 519,590             | -                   | -                         | -                              | 7,978,164            |
| Capital Outlay  | 849,620              | 12,002              | 4,849,017           | 12,206,847                | 321,809                        | 18,239,295           |
| Debt Service  |                      |                     |                     |                           |                                |                      |
| Principal   | 44,931               | -                   | -                   | 2,565,000                 | -                              | 2,609,931            |
| Interest  | 36,214               | -                   | -                   | 934,700                   | -                              | 970,914              |
| Total Expenditures                                      | <u>37,463,259</u>    | <u>531,592</u>      | <u>4,849,185</u>    | <u>16,791,719</u>         | <u>794,916</u>                 | <u>60,430,671</u>    |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | 1,917,664            | 1,276,014           | 307,708             | (11,856,720)              | (156,578)                      | (8,511,912)          |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>               |                      |                     |                     |                           |                                |                      |
| Proceeds from   |                      |                     |                     |                           |                                |                      |
| Sale of Capital Assets                                  | 86,670               | -                   | -                   | -                         | -                              | 86,670               |
| Insurance Proceeds                                      | 216,874              | -                   | -                   | -                         | -                              | 216,874              |
| Transfers In  | -                    | -                   | 3,600,000           | -                         | 100,000                        | 3,700,000            |
| Transfers Out   | (3,700,000)          | -                   | -                   | -                         | -                              | (3,700,000)          |
| Total Financing<br>Sources (Uses)                       | <u>(3,396,456)</u>   | <u>-</u>            | <u>3,600,000</u>    | <u>-</u>                  | <u>100,000</u>                 | <u>303,544</u>       |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>                  | (1,478,792)          | 1,276,014           | 3,907,708           | (11,856,720)              | (56,578)                       | (8,208,368)          |
| Fund Balances -<br>Beginning of Year, as Restated       | <u>13,508,953</u>    | <u>2,363,094</u>    | <u>53,477</u>       | <u>20,410,711</u>         | <u>1,629,772</u>               | <u>37,966,007</u>    |
| <b>FUND BALANCES -<br/>END OF YEAR</b>                  | <u>\$ 12,030,161</u> | <u>\$ 3,639,108</u> | <u>\$ 3,961,185</u> | <u>\$ 8,553,991</u>       | <u>\$ 1,573,194</u>            | <u>\$ 29,757,639</u> |

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
DECEMBER 31, 2020**

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

Net Change in Fund Balances of Governmental Funds \$ (8,208,368)

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 the estimated useful lives as annual depreciation expense in the statement of activities.

|                      |             |
|----------------------|-------------|
| Capital Outlays      | 17,718,568  |
| Depreciation Expense | (4,027,119) |
| Contributed Assets   | 128,227     |

Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Negative amounts indicate a decrease in accruals between fiscal years. Examples are revenues from grant reimbursements.

|                           |           |
|---------------------------|-----------|
| Intergovernmental Revenue | (866,993) |
|---------------------------|-----------|

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

|                        |           |
|------------------------|-----------|
| Bond Payments          | 2,565,000 |
| Capital Lease Payments | 44,931    |

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. This represents changes in the following.

|                          |           |
|--------------------------|-----------|
| Accrued Interest Payable | 9,073     |
| Amortization of Premium  | 348,146   |
| Compensated Absences     | (293,682) |
| Claims Payable           | (55,672)  |
|                          | (55,672)  |

|   |              |
|---|--------------|
| Change in Net Position of Governmental Activities | \$ 7,362,111 |
|---|--------------|

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Wheat Ridge, Colorado (the City) was incorporated in August 1969, and became a home rule city in 1976, as defined by State statutes. The City is governed by a Mayor and eight- member Council elected by the residents.

The accounting policies of the City conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**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 following organization in its reporting entity.

The *Wheat Ridge Urban Renewal Authority* (the Authority) was created to redevelop or rehabilitate certain blighted areas within the City. The Authority board members are appointed by the Mayor and City Council. Although the Authority is legally separate from the City, the Authority's primary revenue source, tax increment financing, can only be established by the City. The Authority is discretely presented in the financial statements and does not issue separate financial statements.

**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 unit. 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 in a single column. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

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 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.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-wide and Fund Financial Statements (Continued)**

Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for the governmental 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*. 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 revenues 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 considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be 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.

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.

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

The *Open Space Fund* accounts for County shared revenues, grants, and development fees restricted for the acquisition, construction, and maintenance of open space and parks.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The *Capital Projects Fund* accounts for the accumulation of resources from a lodgers tax, intergovernmental revenues and General Fund transfers for the acquisition or construction of major capital assets.

The *Investing 4 the Future Fund* accounts for the collection of a 0.5% sales and use tax approved by election to finance a portion of certain improvement projects. The sales and use tax expires when revenues generated by the tax reach \$38.5 million or on December 31, 2028, whichever occurs first.

**Assets, Liabilities and Net Position/Fund Balances**

*Receivables* - Accounts receivable include sales, use and lodgers' taxes. Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

*Prepaid Items* - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than purchased.

*Interfund Receivables and Payables* - During the course of 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 balances outstanding between the primary government and the discretely presented component unit are reported on the statement of activities as *due from* and *due to*.

*Property Held for Resale* - Property that is held with the intent to sell is reported at the lower of cost or fair value.

*Capital Assets* - Capital assets, which include property, equipment, and infrastructure acquired or constructed since 1980, are reported in the government-wide 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. Intangible assets are reported at cost if they are identifiable.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

|                                    |               |
|------------------------------------|---------------|
| Land Improvements                  | 10 - 40 Years |
| Buildings                          | 10 - 40 Years |
| Vehicles, Machinery, and Equipment | 3 - 40 Years  |
| Infrastructure                     | 20 - 50 Years |
| Software                           | 5 Years       |
| Solar Power Capacity               | 20 Years      |

*Unearned Revenues* - Unearned revenues include business license fees collected in advance.

*Deferred Inflows of Resources* - Deferred inflows of resources include property taxes earned but levied for a subsequent year. In addition, deferred inflows of resources are reported in governmental funds for unavailable revenue for grant revenues collected over 60 days after year end. These amounts are recognized as an inflow of resources in the period the revenue becomes available.

*Compensated Absences* - Employees of the City are allowed to accumulate unused vacation and sick time up to a maximum based on years of service. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time at their current pay rate. A long-term liability has been reported in the government-wide financial statements for compensated absences.

*Long-Term Debt* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Governmental funds recognize long-term liabilities only when payment is due. Payments of long-term debt are reported as current expenditures. Debt issuance costs are reported as current expenses or expenditures.

*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. As reported in the fund financial statements, the City Council establishes a fund balance commitment through passage of a resolution. In addition, by resolution the City Council has delegated to the City Manager or his designee the authority to assign fund balances for specific purposes.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

As adopted by City Council policy, the City will maintain a minimum unrestricted fund balance of at least two months, or approximately 17%, of its General Fund operating expenditures.

When expenditures are incurred for a specific purpose for which both restricted and unrestricted fund balances are available, the City's policy is to use 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 calendar 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 year, receivables and corresponding deferred inflows of resources are reported at year-end.

**Contraband Forfeitures**

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. These transactions are reported in the Police Investigation Special Revenue Fund.

**Restatement of Net Position**

During 2020, the City combined activity of the Recreation Center Operating Fund into the General Fund. As a result, beginning fund balance in the General Fund is restated for an increase of \$87,334. The Recreation Center Operating Fund was closed and fund balance was restated to zero.

**NOTE 2 CASH AND INVESTMENTS**

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

|               |               |
|---------------|---------------|
| Petty Cash    | \$ 4,150      |
| Cash Deposits | 3,995,761     |
| Investments   | 24,086,398    |
| Total         | \$ 28,086,309 |

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments are reported in the financial statements as follows:

|  |                      |
|--|----------------------|
| Cash and Investments - Primary Government            | \$ 16,472,143        |
| Restricted Cash and Investments - Primary Government | 8,513,550            |
| Cash and Investments - Component Unit                | 2,154,500            |
| Restricted Cash and Investments - Component Unit     | 946,116              |
| Total  | <u>\$ 28,086,309</u> |

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2020, the City and the Authority had bank deposits with a carrying amount of \$1,538,811 and \$2,456,950, respectively, collateralized with securities held by the financial institutions' agents but not in their name.

**Investments**

The City and the Authority are required to comply with State statutes, which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk.

Through its investment policy, the City has further restricted allowable investments to the following.

- Obligations of the United States and U.S. Agency securities
- Corporate debt
- Commercial paper
- Bankers' acceptances
- Repurchase agreements collateralized by authorized securities
- General obligations of U.S. local government entities
- Guaranteed investment contracts
- Money market funds
- Local government investment pools

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

The City and the Authority had the following investments at December 31, 2020:

| Investment Type                  | Rating | Investment Maturities (in Years) |             |                      |
|----------------------------------|--------|----------------------------------|-------------|----------------------|
|                                  |        | Less Than 1                      | 1 - 5       | Total                |
| Certificates of Deposit          | N/A    | \$ 642,534                       | \$ -        | \$ 642,534           |
| Local Government Investment Pool | AAAf   | 14,846,645                       | -           | 14,846,645           |
| Local Government Investment Pool | AAAm   | 8,597,219                        | -           | 8,597,219            |
| Total                            |        | <u>\$ 24,086,398</u>             | <u>\$ -</u> | <u>\$ 24,086,398</u> |

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years 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* - Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

*Fair Value of Investments* - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2020, the Authority also held investments in Brokered Certificates of Deposit of \$642,534 (Level 2 inputs).

*Local Government Investment Pools* - At December 31, 2020, the City had \$14,346,645 invested in the Colorado Surplus Asset Fund Trust (CSAFE) Core Fund, an investment vehicle 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 CSAFE. The external investment pool is measured at amortized cost with each share valued at \$2.00. Investments in the external investment pool are shown at net asset value (NAV) for financial reporting purposes. CSAFE is rated AA Af by Fitch. Investments of CSAFE 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 participating governments. There are no unfunded commitments, the redemption frequency is daily with a 24-hour notification period, and a limit of three redemptions per month.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

At December 31, 2020, the City had \$8,597,219 invested in the Colorado Statewide Investment Pool (CSIP) Liquid Portfolio, an investment vehicle 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 CSIP. The external investment pool is measured at net asset value (NAV) per share with each share valued at \$1.00. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSIP is rated AAAM by Standard and Poor's. Investments of CSIP 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 participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

At December 31, 2020, the City had \$500,000 invested in the Colorado Statewide Investment Pool (CSIP) Term Portfolio, an investment vehicle 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 CSIP. The external investment pool is measured at net asset value (NAV) per share with each share valued at \$1.00. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSIP is rated AAAs by Fitch. Investments of CSIP 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 participating governments. There are no unfunded commitments, there is a seven-day notification period with potential early redemption penalties for withdrawal prior to maturity.

The Authority's investment of \$642,534 in certificates of deposit is measured at amortized cost.

**NOTE 3 LOANS RECEIVABLE**

The City entered into two loan agreements with the developer of the Fruitdale Lofts project. Under the agreements, the City committed to loan the developer \$470,000 and \$2,115,000. The first loan is due 35 years following substantial completion of the project, with interest accruing at 5% per annum beginning 20 years after substantial completion of the project.

Repayment terms for the second loan are dependent upon certain financing and equity contributions of the developer. The loan is due in 20 years, with interest accruing at 5% per annum commencing after completion of the project. During 2017, the project was under construction and the City had advanced the full amount of \$2,585,000 under these agreements. At December 31, 2020, the outstanding balance on the loans was \$1,085,000.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS**

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

|   | Balance<br>12/31/2019 | Additions            | Deletions         | Balance<br>12/31/2020 |
|---|-----------------------|----------------------|-------------------|-----------------------|
| Governmental Activities                         |                       |                      |                   |                       |
| Capital Assets, Not<br>Being Depreciated        |                       |                      |                   |                       |
| Land  | \$ 16,131,560         | \$ 128,227           | \$ -              | \$ 16,259,787         |
| Artwork   | 196,795               | -                    | -                 | 196,795               |
| Construction in Progress                        | 14,716,237            | 16,995,579           | 155,057           | 31,556,759            |
| Total Capital Assets<br>Not Being Depreciated   | 31,044,592            | 17,123,806           | 155,057           | 48,013,341            |
| Capital Assets,<br>Being Depreciated            |                       |                      |                   |                       |
| Land Improvements                               | 26,023,049            | -                    | -                 | 26,023,049            |
| Buildings                                       | 23,432,151            | 244,613              | -                 | 23,676,764            |
| Vehicles  | 6,031,117             | 477,382              | 285,755           | 6,222,744             |
| Machinery and Equipment                         | 8,386,997             | 149,822              | -                 | 8,536,819             |
| Infrastructure                                  | 71,150,325            | -                    | -                 | 71,150,325            |
| Software  | 388,268               | 6,229                | -                 | 394,497               |
| Solar Power Capacity                            | 776,628               | -                    | -                 | 776,628               |
| Total Capital Assets,<br>Being Depreciated      | 136,188,535           | 878,046              | 285,755           | 136,780,826           |
| Less Accumulated<br>Depreciation                |                       |                      |                   |                       |
| Land Improvements                               | (7,838,693)           | (760,202)            | -                 | (8,598,895)           |
| Buildings                                       | (13,449,419)          | (614,369)            | -                 | (14,063,788)          |
| Vehicles  | (3,423,402)           | (424,951)            | (285,755)         | (3,562,598)           |
| Machinery and Equipment                         | (5,870,125)           | (512,911)            | -                 | (6,383,036)           |
| Infrastructure                                  | (58,413,121)          | (1,642,298)          | -                 | (60,055,419)          |
| Software  | (291,388)             | (33,557)             | -                 | (324,945)             |
| Solar Power Capacity                            | (184,448)             | (38,831)             | -                 | (223,279)             |
| Total Accumulated<br>Depreciation               | (89,470,596)          | (4,027,119)          | (285,755)         | (93,211,960)          |
| Total Capital Assets,<br>Being Depreciated, Net | 46,717,939            | (3,149,073)          | -                 | 43,568,866            |
| Governmental Activities<br>Capital Assets, Net  | <u>\$ 77,762,531</u>  | <u>\$ 13,974,733</u> | <u>\$ 155,057</u> | <u>\$ 91,582,207</u>  |

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the Urban Renewal Authority for the year ended December 31, 2020, is summarized below.

|  | Balance<br>12/31/2019 | Additions   | Deletions   | Balance<br>12/31/2020 |
|--|-----------------------|-------------|-------------|-----------------------|
| Governmental Activities                  |                       |             |             |                       |
| Capital Assets, Not<br>Being Depreciated |                       |             |             |                       |
| Construction in Progress                 | \$ 4,999,880          | \$ -        | \$ -        | \$ 4,999,880          |
| Total Capital Assets                     | <u>\$ -</u>           | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,999,880</u>   |

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

|                       |                     |
|-----------------------|---------------------|
| General Government    | \$ 300,096          |
| Community Development | 11,275              |
| Police                | 255,716             |
| Public Works          | 2,094,949           |
| Parks and Recreation  | 1,365,083           |
| Total                 | <u>\$ 4,027,119</u> |

**NOTE 5 LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the year ended December 31, 2020.

|                                       | Balance<br>12/31/2019 | Additions           | Reductions          | Balance<br>12/31/2020 | Due Within<br>One Year |
|---------------------------------------|-----------------------|---------------------|---------------------|-----------------------|------------------------|
| <b><u>Governmental Activities</u></b> |                       |                     |                     |                       |                        |
| 2017 Revenue Bonds                    | \$ 22,930,000         | \$ -                | \$ 2,565,000        | \$ 20,365,000         | \$ 2,665,000           |
| 2017 Bond Premium                     | 1,633,347             | -                   | 348,146             | 1,285,201             | 309,931                |
| Solar Power                           |                       |                     |                     |                       |                        |
| Capacity Lease                        | 624,804               | -                   | 44,931              | 579,873               | 47,622                 |
| Compensated Absences                  | 1,169,122             | 1,678,634           | 1,384,952           | 1,462,804             | 170,362                |
| Claims Payable                        | 87,753                | 152,769             | 97,097              | 143,425               | 143,425                |
| Total                                 | <u>\$ 26,445,026</u>  | <u>\$ 1,831,403</u> | <u>\$ 4,440,126</u> | <u>\$ 23,836,303</u>  | <u>\$ 3,336,340</u>    |
| <b><u>Urban Renewal Authority</u></b> |                       |                     |                     |                       |                        |
| 2014 Loans Payable                    | \$ 1,240,000          | \$ -                | \$ 295,000          | \$ 945,000            | \$ 305,000             |
| 2018 Loans Payable                    | 6,375,000             | -                   | -                   | 6,375,000             | -                      |
| Pollution Remediation                 | 598,458               | -                   | 26,374              | 572,084               | 25,000                 |
| Total                                 | <u>\$ 8,213,458</u>   | <u>\$ -</u>         | <u>\$ 321,374</u>   | <u>\$ 7,892,084</u>   | <u>\$ 330,000</u>      |

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

**Revenue Bonds**

On May 2, 2017, the City issued \$30,595,000 Sales and Use Tax Revenue Bonds, Series 2017A. Bond proceeds will be used to finance certain improvement projects. Interest accrues on the bonds at rates ranging from 3% to 5% per annum and is payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual principal payments are due on December 1, from 2017 through 2027. After issuance of the bonds, the City has \$2,405,000 of debt authorization remaining from the related election.

The bonds are payable solely from revenues generated by the 0.5% sales and use tax reported in the Investing 4 the Future Fund. During the year ended December 31, 2020, revenues of \$4,423,892 were available to pay annual debt service of \$3,499,700.

Remaining debt service at December 31, 2020, was as follows:

| <u>Year Ended December 31,</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|--------------------------------|----------------------|---------------------|----------------------|
| 2021                           | \$ 2,665,000         | \$ 832,100          | \$ 3,497,100         |
| 2022                           | 2,720,000            | 778,800             | 3,498,800            |
| 2023                           | 2,860,000            | 642,800             | 3,502,800            |
| 2024                           | 3,000,000            | 499,800             | 3,499,800            |
| 2025                           | 3,150,000            | 349,800             | 3,499,800            |
| 2026-2027                      | 5,970,000            | 347,200             | 6,317,200            |
| Total                          | <u>\$ 20,365,000</u> | <u>\$ 3,450,500</u> | <u>\$ 23,815,500</u> |

**Solar Power Capacity Lease**

On March 23, 2015, the City entered into an agreement to purchase solar power capacity in a community solar garden. The purchase was financed in April 2015, with a lease agreement in the amount of \$800,000. Monthly payments of \$6,681, including principal and interest accruing at 5.75% per annum, are due under the agreement, beginning June 1, 2015, through May 1, 2030. At December 31, 2020, capital assets of \$553,349, net of accumulated depreciation, were reported under this lease.

Following is a schedule of the future minimum lease payments at December 31, 2020.

| <u>Year Ended December 31,</u>             | <u>Total</u>      |
|--|-------------------|
| 2021                                       | \$ 80,167         |
| 2022                                       | 80,167            |
| 2023                                       | 80,167            |
| 2024                                       | 80,167            |
| 2025                                       | 80,167            |
| 2026-2030                                  | 354,051           |
| Total Minimum Lease Payments               | <u>754,886</u>    |
| Less: Interest Portion                     | <u>(175,013)</u>  |
| Present Value of<br>Minimum Lease Payments | <u>\$ 579,873</u> |

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

**Compensated Absences**

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

**Urban Renewal Authority Loans**

On May 14, 2014, the Authority approved a loan agreement with Colorado State Bank and Trust for \$2,455,000 to finance infrastructure improvements associated with redevelopment property. The loan accrues interest at 3.16% per annum. Interest payments are due semi-annually beginning December 1, 2014. Principal payments are due annually beginning December 1, 2015, through 2023.

On October 18, 2018, the Authority approved a loan agreement with Colorado State Bank and Trust for \$6,375,000 to finance the development of real property for the purpose of mixed-use commercial development. The loan accrues interest at 4.65% per annum. Interest payments are due semi-annually beginning March 1, 2019. Principal payments are due annually beginning September 1, 2022, through 2028.

During the year ended December 31, 2020, revenues of \$2,352,958 were available to pay annual debt service of \$295,000 in principal and \$335,622 in interest.

Future debt service to maturity is as follows:

| <u>Year Ended December 31,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|--------------------------------|---------------------|---------------------|---------------------|
| 2021                           | \$ 305,000          | \$ 326,300          | \$ 631,300          |
| 2022                           | 1,109,247           | 316,662             | 1,425,909           |
| 2023                           | 1,155,227           | 269,775             | 1,425,002           |
| 2024                           | 867,836             | 220,899             | 1,088,735           |
| 2025                           | 907,149             | 180,545             | 1,087,694           |
| 2026-2028                      | 2,975,541           | 280,811             | 3,256,352           |
| Total                          | <u>\$ 7,320,000</u> | <u>\$ 1,594,991</u> | <u>\$ 8,914,991</u> |

**Pollution Remediation**

The Urban Renewal Authority is conducting a site remediation at an approximately 0.552-acre parcel of land located at 7690 West 38th Avenue (Jefferson County Parcel ID 39-262-01-001), as part of the Colorado Department of Public Health and Environment (CDPHE) Voluntary Clean-Up Program (VCUP), in Wheat Ridge and Jefferson County, Colorado. The Urban Renewal Authority's application was approved by CDPHE on January 7, 2014. The site consists of a vacant gravel lot. A former 2,400 square-foot dry cleaner and later a parts department for a shuttered car dealership were previously demolished as part of the approved VCUP Application.

After demolition of the structure, the asphalt paving was stripped during redevelopment of the surrounding properties and source contaminated soil was removed and hauled to an authorized site. Nine monitoring wells were placed throughout the site and quarterly testing has been ongoing. Active site remediation was enacted, first using BOS 100, a material recommended by the Urban Renewal Authorities consultants Terracon, Inc. and CDPHE.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

**Pollution Remediation (Continued)**

The BOS 100 dramatically lowered contamination levels for the first 18-months. Once the BOS 100 stopped reducing the contaminants, a system titled E-Redox was placed throughout the site and has been actively successful at continued remediation of contaminants. The site will be redeveloped as part of a broader community development program. The redevelopment plan includes the construction of a new commercial building with surface parking.

As of December 31, 2020, the estimated liability for the pollution remediation was \$572,084. This estimate is based on the third-party consultant's site assessment and professional experience in this subject.

**NOTE 6 INTERFUND ACTIVITY**

During the year ended December 31, 2020, the General Fund transferred \$3,600,000 to the Capital Projects Fund to finance capital projects and to purchase additional equipment. In addition, the General Fund transferred \$100,000 to the Equipment Replacement Fund for capital expenditures.

**NOTE 7 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has agreed to self-insure for general liability claims to a maximum of \$150,000; automobile, property and physical damage claims to a maximum of \$10,000; and workers compensation claims to a maximum of \$5,000 per occurrence. The City accounts for its risk management activities in the General Fund.

Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in claims payable for the years ended December 31, 2020 and 2019, were as follows:

|   | <u>2020</u>       | <u>2019</u>      |
|---|-------------------|------------------|
| Claims Payable, January 1                       | \$ 87,753         | \$ 109,942       |
| Incurred Claims and Changes in Estimated Claims | 152,769           | 59,223           |
| Claims Paid                                     | (97,097)          | (81,412)         |
| Claims Payable, December 31                     | <u>\$ 143,425</u> | <u>\$ 87,753</u> |

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 RISK MANAGEMENT (CONTINUED)**

For excess liability and property claims the City participates in 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 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages 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 and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

For workers' compensation claims, the City is insured by Pinnacol Assurance.

**NOTE 8 RETIREMENT COMMITMENTS**

**Police Defined Contribution Pension Plan**

The City contributes to a single-employer defined contribution money purchase pension plan on behalf of sworn police officers. The Plan is administered by the International City/County Management Association (ICMA). During 2020 employees contributed 10% of their compensation to the Plan, and the City contributed 10.5%. Employees become vested in City contributions to the Plan at 20% annually, beginning in the third year of employment. The contribution requirements of Plan members and the City are established and may be amended by the City Council. During the year ended December 31, 2020, the City contributions to the plan were \$766,687 and employee contributions to the Plan were \$731,535, equal to the required contributions.

**Department Head Defined Contribution Pension Plan**

City department heads participate in a multiple-employer defined contribution pension plan upon employment with the City. The Plan is administered by ICMA. During 2020 department heads contributed 4% of their compensation to the Plan and the City contributed 7%, except for the City Manager for which the City contributed 10%. Employees become vested in all contributions to the Plan immediately. The contribution requirements of Plan members and the City are established and may be amended by the City Council. During the year ended December 31, 2020, the City and employee contributions to the Plan were \$72,956 and \$38,309, respectively, equal to the required contributions.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 RETIREMENT COMMITMENTS (CONTINUED)**

**Employee Defined Contribution Pension Plan**

The City contributes to a multiple-employer defined contribution pension plan on behalf of all employees, except sworn police officers and department heads. The Plan is administered by ICMA. During 2020 employees contributed 4% of their compensation to the Plan, and the City contributed 6%. Employees become vested in City contributions to the Plan at 20% annually after one year of employment. The contribution requirements of Plan members and the City are established and may be amended by the City Council. During the year ended December 31, 2020, the City and employee contributions to the Plan were \$539,058 and \$358,618, respectively, equal to the required contributions.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the City. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The City's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

In November, 2006, voters agreed to allow the City to spend all revenues generated during 2006 and each subsequent year for police protection, street construction - repair and maintenance, parks and recreation - trails and open space, capital projects, and other basic municipal services, without limitation. The Authority is not subject to the Tabor Amendment. See: Marian L. Olson v. City of Golden, et. al., 53 P.3d 747 (Co. App.), certiorari denied.

The City has established an emergency reserve, representing 3% of qualifying revenues, as required by the Amendment. At December 31, 2020, the emergency reserve of \$1,330,000 was reported as restricted fund balance in the General Fund.

**Grant Programs**

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2020, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Conduit Debt**

On August 7, 2015, the City participated in the issuance of a \$1,000,000 Development Revenue Note (Seniors' Resource Center, Inc. Project) Series 2015, to provide financing for facility improvements. The Note matures on August 1, 2030, and is payable solely from revenues of the Seniors' Resource Center, Inc. The City is not obligated in any manner for repayment of the Note. Accordingly, the Note is not reported as a liability in the accompanying financial statements. The outstanding balance of the Note at December 31, 2020, was \$732,643.

**Litigation**

The City is involved in various threatened and pending litigation. The outcome of this litigation cannot be determined at this time.

**NOTE 10 TAX ABATEMENTS**

The City of Wheat Ridge has a Business Development Zone Program, as enacted by the City Code Chapter 22, Article I, Division 5, which provides a share-back of Use-Tax generated by developments that meet the criteria established as public or public related improvements. The Program was created as a joint benefit to the public at large and to private owners for the purposes of reducing blight in business districts and providing the city with increased sales and use tax revenues generated upon and by properties improved as a result of this program.

For the fiscal year ended December 31, 2020, the City abated 3% of applicable use taxes totaling \$67,138. The rebate was for a manufacturing company that is expanding operations that is expected to produce incremental future use tax revenue generated by the project as well as both the short-term and long-term expected employment opportunities within the City. The maximum rebate allowed over the course of this project is \$9,431,284

The Wheat Ridge Urban Renewal Authority has various Redevelopment Plans, approved by city council, which serve to further the mission of the Authority and establish future tax generating facilities by offsetting redevelopment costs through rebated property tax increment revenues and sales tax increment revenues offered to developers.

For the fiscal year ended December 31, 2020, the Authority rebated property tax increment revenues and sales tax increment revenues for a total of \$555,933. These rebates were for three development companies, which have renovated various locations within the boundaries of a defined economic urban renewal area. The redeveloped locations are expected to produce future incremental property and sales tax revenues for the City. The maximum rebate allowed over the course of this project is \$15,458,521.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2020**

|   | Original<br>Budget  | Final<br>Budget      | Actual               | Variance<br>Positive<br>(Negative) |
|---|---------------------|----------------------|----------------------|------------------------------------|
| <b>REVENUES</b>   |                     |                      |                      |                                    |
| Taxes   | \$ 31,058,630       | \$ 31,058,630        | \$ 30,368,986        | \$ (689,644)                       |
| Licenses and Permits                                    | 1,954,373           | 1,954,373            | 1,799,811            | (154,562)                          |
| Intergovernmental                                       | 1,783,037           | 3,861,446            | 4,147,182            | 285,736                            |
| Charges for Services                                    | 3,850,819           | 3,850,819            | 2,321,022            | (1,529,797)                        |
| Fines and Forfeitures                                   | 354,900             | 354,900              | 252,161              | (102,739)                          |
| Investment Income                                       | 400,000             | 400,000              | 165,104              | (234,896)                          |
| Miscellaneous   | 469,000             | 469,000              | 326,657              | (142,343)                          |
| Total Revenues  | <u>39,870,759</u>   | <u>41,949,168</u>    | <u>39,380,923</u>    | <u>(2,568,245)</u>                 |
| <b>EXPENDITURES</b>                                     |                     |                      |                      |                                    |
| Current   |                     |                      |                      |                                    |
| General Government                                      | 10,194,506          | 10,411,035           | 9,731,696            | 679,339                            |
| Economic Development                                    | 2,245,018           | 2,745,018            | 1,850,590            | 894,428                            |
| Community Development                                   | 3,151,145           | 3,379,906            | 2,821,771            | 558,135                            |
| Police  | 11,747,876          | 11,787,614           | 11,714,266           | 73,348                             |
| Public Works  | 4,073,845           | 4,422,263            | 2,955,597            | 1,466,666                          |
| Parks and Recreation                                    | 8,022,850           | 8,590,551            | 7,458,574            | 1,131,977                          |
| Capital Outlay  | -                   | -                    | 849,620              | (849,620)                          |
| Debt Service  |                     |                      |                      |                                    |
| Principal   | -                   | -                    | 44,931               | (44,931)                           |
| Interest  | -                   | -                    | 36,214               | (36,214)                           |
| Total Expenditures                                      | <u>39,435,240</u>   | <u>41,336,387</u>    | <u>37,463,259</u>    | <u>3,873,128</u>                   |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | 435,519             | 612,781              | 1,917,664            | 1,304,883                          |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>               |                     |                      |                      |                                    |
| Proceeds from   |                     |                      |                      |                                    |
| Sale of Capital Assets                                  | -                   | -                    | 86,670               | 86,670                             |
| Insurance Proceeds                                      | -                   | -                    | 216,874              | 216,874                            |
| Transfers Out   | (3,700,000)         | (3,700,000)          | (3,700,000)          | -                                  |
| Total Other Financing<br>Sources (Uses)                 | <u>(3,700,000)</u>  | <u>(3,700,000)</u>   | <u>(3,396,456)</u>   | <u>303,544</u>                     |
| <b>NET CHANGE IN FUND BALANCE</b>                       | (3,264,481)         | (3,087,219)          | (1,478,792)          | 1,608,427                          |
| Fund Balance - Beginning of Year,<br>as Restated        | <u>13,209,311</u>   | <u>13,508,953</u>    | <u>13,508,953</u>    | -                                  |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 9,944,830</u> | <u>\$ 10,421,734</u> | <u>\$ 12,030,161</u> | <u>\$ 1,608,427</u>                |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE – OPEN SPACE FUND  
YEAR ENDED DECEMBER 31, 2020**

|                                   | Original<br>Budget         | Final<br>Budget            | Actual                     | Variance<br>Positive<br>(Negative) |
|-----------------------------------|----------------------------|----------------------------|----------------------------|------------------------------------|
| <b>REVENUES</b>                   |                            |                            |                            |                                    |
| Intergovernmental                 | \$ 1,200,000               | \$ 1,200,000               | \$ 1,442,148               | \$ 242,148                         |
| Charges for Services              | 778,070                    | 778,070                    | 349,621                    | (428,449)                          |
| Grants                            | 250,000                    | 250,000                    | -                          | (250,000)                          |
| Investment Income                 | 10,000                     | 10,000                     | 5,837                      | (4,163)                            |
| Miscellaneous                     | -                          | 120,000                    | 10,000                     | (110,000)                          |
| <b>Total Revenues</b>             | <u>2,238,070</u>           | <u>2,358,070</u>           | <u>1,807,606</u>           | <u>(550,464)</u>                   |
| <b>EXPENDITURES</b>               |                            |                            |                            |                                    |
| Current                           |                            |                            |                            |                                    |
| Parks and Recreation              | 2,016,941                  | 2,048,533                  | 519,590                    | 1,528,943                          |
| Capital Outlay                    | -                          | -                          | 12,002                     | (12,002)                           |
| <b>Total Expenditures</b>         | <u>2,016,941</u>           | <u>2,048,533</u>           | <u>531,592</u>             | <u>1,516,941</u>                   |
| <b>NET CHANGE IN FUND BALANCE</b> | 221,129                    | 309,537                    | 1,276,014                  | 966,477                            |
| Fund Balance - Beginning of Year  | <u>924,170</u>             | <u>2,363,094</u>           | <u>2,363,094</u>           | <u>-</u>                           |
| <b>FUND BALANCE - END OF YEAR</b> | <u><u>\$ 1,145,299</u></u> | <u><u>\$ 2,672,631</u></u> | <u><u>\$ 3,639,108</u></u> | <u><u>\$ 966,477</u></u>           |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE – INVESTING 4 THE FUTURE FUND  
YEAR ENDED DECEMBER 31, 2020**

|                                   | Original<br>Budget         | Original<br>and Final<br>Budget | Actual                     | Variance<br>Positive<br>(Negative) |
|-----------------------------------|----------------------------|---------------------------------|----------------------------|------------------------------------|
| <b>REVENUES</b>                   |                            |                                 |                            |                                    |
| Taxes                             | \$ 4,294,616               | \$ 4,294,616                    | \$ 4,423,892               | \$ 129,276                         |
| Investment Income                 | 400,000                    | 400,000                         | 223,899                    | (176,101)                          |
| Miscellaneous                     | 1,673,890                  | 1,673,890                       | 287,208                    | (1,386,682)                        |
| <b>Total Revenues</b>             | <u>6,368,506</u>           | <u>6,368,506</u>                | <u>4,934,999</u>           | <u>(1,433,507)</u>                 |
| <b>EXPENDITURES</b>               |                            |                                 |                            |                                    |
| Current                           |                            |                                 |                            |                                    |
| General Government                | -                          | 1,266,642                       | 1,085,172                  | 181,470                            |
| Capital Outlay                    | 11,611,008                 | 17,591,970                      | 12,206,847                 | 5,385,123                          |
| Debt Service                      |                            |                                 |                            |                                    |
| Principal                         | 2,565,000                  | 2,565,000                       | 2,565,000                  | -                                  |
| Interest                          | 933,300                    | 933,300                         | 934,700                    | (1,400)                            |
| <b>Total Expenditures</b>         | <u>15,109,308</u>          | <u>22,356,912</u>               | <u>16,791,719</u>          | <u>5,565,193</u>                   |
| <b>NET CHANGE IN FUND BALANCE</b> | (8,740,802)                | (15,988,406)                    | (11,856,720)               | 4,131,686                          |
| Fund Balance - Beginning of Year  | <u>13,774,087</u>          | <u>20,410,711</u>               | <u>20,410,711</u>          | <u>-</u>                           |
| <b>FUND BALANCE - END OF YEAR</b> | <u><u>\$ 5,033,285</u></u> | <u><u>\$ 4,422,305</u></u>      | <u><u>\$ 8,553,991</u></u> | <u><u>\$ 4,131,686</u></u>         |

**CITY OF WHEAT RIDGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2020**

**NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

State statutes require that all funds have legally adopted budgets and appropriations. Total expenditures may not exceed the amount appropriated at the fund level. Budgets are adopted for all funds of the City on a basis consistent with generally accepted accounting principles (GAAP).

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at year end.

Budgetary information presented in the financial statements for the Wheat Ridge Urban Renewal Authority was approved by the governing board of the Wheat Ridge Urban Renewal Authority.

## **SUPPLEMENTARY INFORMATION**

**CITY OF WHEAT RIDGE  
COMBINING BALANCE SHEET  
NONMAJOR FUNDS  
DECEMBER 31, 2020**

|                                       | Police<br>Investigation | Municipal<br>Court | Conservation<br>Trust | Crime<br>Prevention | Public Art        | Equipment<br>Replacement | Totals              |
|---------------------------------------|-------------------------|--------------------|-----------------------|---------------------|-------------------|--------------------------|---------------------|
| <b>ASSETS</b>                         |                         |                    |                       |                     |                   |                          |                     |
| Cash and Investments                  | \$ 37,016               | \$ 94,935          | \$ 795,668            | \$ 291,385          | \$ 274,164        | \$ 87,206                | \$ 1,580,374        |
| Accounts Receivable                   | -                       | -                  | -                     | 14,266              | -                 | -                        | 14,266              |
| Total Assets                          | <u>\$ 37,016</u>        | <u>\$ 94,935</u>   | <u>\$ 795,668</u>     | <u>\$ 305,651</u>   | <u>\$ 274,164</u> | <u>\$ 87,206</u>         | <u>\$ 1,594,640</u> |
| <b>LIABILITIES</b>                    |                         |                    |                       |                     |                   |                          |                     |
| Accounts Payable                      | -                       | 600                | 7,413                 | -                   | -                 | -                        | 8,013               |
| Accrued Liabilities                   | -                       | -                  | -                     | 13,433              | -                 | -                        | 13,433              |
| Total Liabilities                     | <u>-</u>                | <u>600</u>         | <u>7,413</u>          | <u>13,433</u>       | <u>-</u>          | <u>-</u>                 | <u>21,446</u>       |
| <b>FUND BALANCES</b>                  |                         |                    |                       |                     |                   |                          |                     |
| Restricted For:                       |                         |                    |                       |                     |                   |                          |                     |
| Open Space and Parks                  | -                       | -                  | 788,255               | -                   | -                 | -                        | 788,255             |
| Police Investigations                 | 37,016                  | -                  | -                     | -                   | -                 | -                        | 37,016              |
| Crime Prevention Activities           | -                       | -                  | -                     | 292,218             | -                 | -                        | 292,218             |
| Committed To:                         |                         |                    |                       |                     |                   |                          |                     |
| Municipal Court                       | -                       | 94,335             | -                     | -                   | -                 | -                        | 94,335              |
| Public Art                            | -                       | -                  | -                     | -                   | 274,164           | -                        | 274,164             |
| Assigned to                           |                         |                    |                       |                     |                   |                          |                     |
| Equipment Replacement                 | -                       | -                  | -                     | -                   | -                 | 87,206                   | 87,206              |
| Total Fund Balance                    | <u>37,016</u>           | <u>94,335</u>      | <u>788,255</u>        | <u>292,218</u>      | <u>274,164</u>    | <u>87,206</u>            | <u>1,573,194</u>    |
| Total Liabilities and<br>Fund Balance | <u>\$ 37,016</u>        | <u>\$ 94,935</u>   | <u>\$ 795,668</u>     | <u>\$ 305,651</u>   | <u>\$ 274,164</u> | <u>\$ 87,206</u>         | <u>\$ 1,594,640</u> |

**CITY OF WHEAT RIDGE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
NONMAJOR FUNDS  
YEAR ENDED DECEMBER 31, 2020**

|   | Police<br>Investigation | Municipal<br>Court | Conservation<br>Trust | Crime<br>Prevention | Public Art        | Equipment<br>Replacement | Totals              |
|---|-------------------------|--------------------|-----------------------|---------------------|-------------------|--------------------------|---------------------|
| <b>REVENUES</b>   |                         |                    |                       |                     |                   |                          |                     |
| Taxes   | \$ -                    | \$ -               | \$ -                  | \$ 254,341          | \$ 24,089         | \$ -                     | \$ 278,430          |
| Intergovernmental                                       | -                       | -                  | 323,951               | -                   | -                 | -                        | 323,951             |
| Charges for Services                                    | -                       | -                  | -                     | -                   | 10,351            | -                        | 10,351              |
| Fines and Forfeitures                                   | -                       | 6,575              | -                     | 11,363              | -                 | -                        | 17,938              |
| Investment Income                                       | 7                       | 64                 | 6,904                 | 100                 | 116               | 177                      | 7,368               |
| Miscellaneous   | -                       | -                  | -                     | 300                 | -                 | -                        | 300                 |
| Total Revenues  | <u>7</u>                | <u>6,639</u>       | <u>330,855</u>        | <u>266,104</u>      | <u>34,556</u>     | <u>177</u>               | <u>638,338</u>      |
| <b>EXPENDITURES</b>                                     |                         |                    |                       |                     |                   |                          |                     |
| Current   |                         |                    |                       |                     |                   |                          |                     |
| General Government                                      | -                       | 6,927              | -                     | -                   | -                 | -                        | 6,927               |
| Police  | -                       | -                  | -                     | 466,180             | -                 | -                        | 466,180             |
| Parks and Recreation                                    | -                       | -                  | -                     | -                   | -                 | -                        | -                   |
| Capital Outlay  | -                       | -                  | 171,243               | -                   | -                 | 150,566                  | 321,809             |
| Total Expenditures                                      | <u>-</u>                | <u>6,927</u>       | <u>171,243</u>        | <u>466,180</u>      | <u>-</u>          | <u>150,566</u>           | <u>794,916</u>      |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 7                       | (288)              | 159,612               | (200,076)           | 34,556            | (150,389)                | (156,578)           |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                         |                    |                       |                     |                   |                          |                     |
| Transfers In  | -                       | -                  | -                     | -                   | -                 | 100,000                  | 100,000             |
| Transfer Out  | -                       | -                  | -                     | -                   | -                 | -                        | -                   |
| <b>NET CHANGE IN FUND BALANCES</b>                      | 7                       | (288)              | 159,612               | (200,076)           | 34,556            | (50,389)                 | (56,578)            |
| Fund Balances - Beginning of Year                       | <u>37,009</u>           | <u>94,623</u>      | <u>628,643</u>        | <u>492,294</u>      | <u>239,608</u>    | <u>137,595</u>           | <u>1,629,772</u>    |
| <b>FUND BALANCES - END OF YEAR</b>                      | <u>\$ 37,016</u>        | <u>\$ 94,335</u>   | <u>\$ 788,255</u>     | <u>\$ 292,218</u>   | <u>\$ 274,164</u> | <u>\$ 87,206</u>         | <u>\$ 1,573,194</u> |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
POLICE INVESTIGATION FUND  
YEAR ENDED DECEMBER 31, 2020**

|                                   | Original<br>and Final<br>Budget | Actual                  | Variance<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|-------------------------|------------------------------------|
| <b>REVENUES</b>                   |                                 |                         |                                    |
| Investment Income                 | \$ 45                           | \$ 7                    | \$ (38)                            |
| Miscellaneous                     | -                               | -                       | -                                  |
| Total Revenues                    | <u>45</u>                       | <u>7</u>                | <u>(38)</u>                        |
| <b>EXPENDITURES</b>               |                                 |                         |                                    |
| Current                           |                                 |                         |                                    |
| Police                            | <u>20,000</u>                   | <u>-</u>                | <u>20,000</u>                      |
| <b>NET CHANGE IN FUND BALANCE</b> | (19,955)                        | 7                       | 19,962                             |
| Fund Balance - Beginning of Year  | <u>37,009</u>                   | <u>37,009</u>           | <u>-</u>                           |
| <b>FUND BALANCE - END OF YEAR</b> | <u><u>\$ 17,054</u></u>         | <u><u>\$ 37,016</u></u> | <u><u>\$ 19,962</u></u>            |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL COURT FUND  
YEAR ENDED DECEMBER 31, 2020**

|                                   | Original<br>and Final<br>Budget | Actual                  | Variance<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|-------------------------|------------------------------------|
| <b>REVENUES</b>                   |                                 |                         |                                    |
| Fines and Forfeitures             | \$ 12,500                       | \$ 6,575                | \$ (5,925)                         |
| Investment Income                 | 750                             | 64                      | (686)                              |
| Total Revenues                    | <u>13,250</u>                   | <u>6,639</u>            | <u>(6,611)</u>                     |
| <b>EXPENDITURES</b>               |                                 |                         |                                    |
| Current                           |                                 |                         |                                    |
| General Government                | <u>36,000</u>                   | <u>6,927</u>            | <u>29,073</u>                      |
| <b>NET CHANGE IN FUND BALANCE</b> | (22,750)                        | (288)                   | 22,462                             |
| Fund Balance - Beginning of Year  | <u>83,138</u>                   | <u>94,623</u>           | <u>11,485</u>                      |
| <b>FUND BALANCE - END OF YEAR</b> | <u><u>\$ 60,388</u></u>         | <u><u>\$ 94,335</u></u> | <u><u>\$ 33,947</u></u>            |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
CONSERVATION TRUST FUND  
YEAR ENDED DECEMBER 31, 2020**

|                                   | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Positive<br>(Negative) |
|-----------------------------------|--------------------|-------------------|-------------------|------------------------------------|
| <b>REVENUES</b>                   |                    |                   |                   |                                    |
| Intergovernmental                 | \$ 320,000         | \$ 320,000        | \$ 323,951        | \$ 3,951                           |
| Investment Income                 | 20,000             | 20,000            | 6,904             | (13,096)                           |
| Total Revenues                    | <u>340,000</u>     | <u>340,000</u>    | <u>330,855</u>    | <u>(9,145)</u>                     |
| <b>EXPENDITURES</b>               |                    |                   |                   |                                    |
| Current                           |                    |                   |                   |                                    |
| Parks and Recreation              | 321,950            | 334,750           | -                 | 334,750                            |
| Capital Outlay                    | 500,000            | 500,000           | 171,243           | 328,757                            |
| Total Expenditures                | <u>821,950</u>     | <u>834,750</u>    | <u>171,243</u>    | <u>663,507</u>                     |
| <b>NET CHANGE IN FUND BALANCE</b> | (481,950)          | (494,750)         | 159,612           | 654,362                            |
| Fund Balance - Beginning of Year  | <u>524,545</u>     | <u>628,643</u>    | <u>628,643</u>    | <u>-</u>                           |
| <b>FUND BALANCE - END OF YEAR</b> | <u>\$ 42,595</u>   | <u>\$ 133,893</u> | <u>\$ 788,255</u> | <u>\$ 654,362</u>                  |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
CRIME PREVENTION FUND  
YEAR ENDED DECEMBER 31, 2020**

|                                   | Original<br>and Final<br>Budget | Actual            | Variance<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|-------------------|------------------------------------|
| <b>REVENUES</b>                   |                                 |                   |                                    |
| Lodgers Taxes                     | \$ 420,000                      | \$ 254,341        | \$ (165,659)                       |
| Fines and Forfeitures             | 20,000                          | 11,363            | (8,637)                            |
| Investment Income                 | 7,000                           | 100               | (6,900)                            |
| Miscellaneous                     | -                               | 300               | 300                                |
| Total Revenues                    | <u>447,000</u>                  | <u>266,104</u>    | <u>(180,896)</u>                   |
| <b>EXPENDITURES</b>               |                                 |                   |                                    |
| Current                           |                                 |                   |                                    |
| Police                            | <u>613,215</u>                  | <u>466,180</u>    | <u>147,035</u>                     |
| <b>NET CHANGE IN FUND BALANCE</b> | (166,215)                       | (200,076)         | (33,861)                           |
| Fund Balance - Beginning of Year  | <u>442,972</u>                  | <u>492,294</u>    | <u>49,322</u>                      |
| <b>FUND BALANCE - END OF YEAR</b> | <u>\$ 276,757</u>               | <u>\$ 292,218</u> | <u>\$ 15,461</u>                   |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC ART FUND  
YEAR ENDED DECEMBER 31, 2020**

|                                   | Original<br>and Final<br>Budget | Actual            | Variance<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------------|-------------------|------------------------------------|
| <b>REVENUES</b>                   |                                 |                   |                                    |
| Use Taxes                         | \$ 9,000                        | \$ 24,089         | \$ 15,089                          |
| Intergovernmental                 | -                               | -                 | -                                  |
| Charges for Services              | 453,400                         | 10,351            | (443,049)                          |
| Investment Income                 | 1,000                           | 116               | (884)                              |
| Total Revenues                    | <u>463,400</u>                  | <u>34,556</u>     | <u>(428,844)</u>                   |
| <b>EXPENDITURES</b>               |                                 |                   |                                    |
| Current                           |                                 |                   |                                    |
| Parks and Recreation              | <u>450,000</u>                  | <u>-</u>          | <u>450,000</u>                     |
| <b>NET CHANGE IN FUND BALANCE</b> | 13,400                          | 34,556            | 21,156                             |
| Fund Balance - Beginning of Year  | <u>239,608</u>                  | <u>239,608</u>    | <u>-</u>                           |
| <b>FUND BALANCE - END OF YEAR</b> | <u>\$ 253,008</u>               | <u>\$ 274,164</u> | <u>\$ 21,156</u>                   |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
EQUIPMENT REPLACEMENT FUND  
YEAR ENDED DECEMBER 31, 2020**

|   | Original<br>Budget | Final<br>Budget  | Actual           | Variance<br>Positive<br>(Negative) |
|---|--------------------|------------------|------------------|------------------------------------|
| <b>REVENUES</b>   |                    |                  |                  |                                    |
| Investment Income                                       | \$ 2,000           | \$ 2,000         | \$ 177           | \$ (1,823)                         |
| <b>EXPENDITURES</b>                                     |                    |                  |                  |                                    |
| Capital Outlay  | 64,125             | 164,125          | 150,566          | 13,559                             |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | (62,125)           | (162,125)        | (150,389)        | 11,736                             |
| <b>OTHER FINANCIAL SOURCES</b>                          |                    |                  |                  |                                    |
| Transfers In  | 100,000            | 100,000          | 100,000          | -                                  |
| <b>NET CHANGE IN FUND BALANCE</b>                       | 37,875             | (62,125)         | (50,389)         | 11,736                             |
| Fund Balance - Beginning of Year                        | 129,441            | 137,595          | 137,595          | -                                  |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 167,316</u>  | <u>\$ 75,470</u> | <u>\$ 87,206</u> | <u>\$ 11,736</u>                   |

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2020**

|   | Original<br>Budget | Final<br>Budget     | Actual              | Variance<br>Positive<br>(Negative) |
|---|--------------------|---------------------|---------------------|------------------------------------|
| <b>REVENUES</b>   |                    |                     |                     |                                    |
| Lodgers Taxes   | \$ 310,000         | \$ 310,000          | \$ 169,561          | \$ (140,439)                       |
| Intergovernmental                                       | 14,146,059         | 14,146,059          | 4,955,543           | (9,190,516)                        |
| Charges for Services                                    | -                  | -                   | 23,414              | 23,414                             |
| Investment Income                                       | 10,000             | 10,000              | 8,375               | (1,625)                            |
| Miscellaneous   | 165,000            | 165,000             | -                   | (165,000)                          |
| Total Revenues  | <u>14,631,059</u>  | <u>14,631,059</u>   | <u>5,156,893</u>    | <u>(9,474,166)</u>                 |
| <b>EXPENDITURES</b>                                     |                    |                     |                     |                                    |
| Public Works  | -                  | -                   | 168                 | (168)                              |
| Capital Outlay  | 18,361,877         | 18,479,290          | 4,849,017           | 13,630,273                         |
| Total Expenditures                                      | <u>18,361,877</u>  | <u>18,479,290</u>   | <u>4,849,185</u>    | <u>13,630,105</u>                  |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | (3,730,818)        | (3,848,231)         | 307,708             | 4,155,939                          |
| <b>OTHER FINANCIAL SOURCES</b>                          |                    |                     |                     |                                    |
| Transfers In  | <u>3,600,000</u>   | <u>3,600,000</u>    | <u>3,600,000</u>    | <u>-</u>                           |
| <b>NET CHANGE IN FUND BALANCE</b>                       | (130,818)          | (248,231)           | 3,907,708           | 4,155,939                          |
| Fund Balance - Beginning of Year                        | <u>254,015</u>     | <u>53,477</u>       | <u>53,477</u>       | <u>-</u>                           |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 123,197</u>  | <u>\$ (194,754)</u> | <u>\$ 3,961,185</u> | <u>\$ 4,155,939</u>                |

**CITY OF WHEAT RIDGE  
BALANCE SHEET  
COMPONENT UNIT – URBAN RENEWAL AUTHORITY  
DECEMBER 31, 2020**

**ASSETS**

|                                 |                            |
|---------------------------------|----------------------------|
| Cash and Investments            | \$ 2,154,500               |
| Restricted Cash and Investments | 946,116                    |
| Accounts Receivable             | 185,249                    |
| Property Taxes Receivable       | 1,850,373                  |
| Property Held for Resale        | <u>330,299</u>             |
| Total Assets                    | <u><u>\$ 5,466,537</u></u> |

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE**

|   |                            |
|---|----------------------------|
| Liabilities   |                            |
| Accounts Payable  | <u>\$ 718,470</u>          |
| Deferred Inflows of Resources                                     |                            |
| Property Taxes  | <u>1,850,373</u>           |
| Fund Balance  |                            |
| Nonspendable Property Held for Resale                             | 330,299                    |
| Restricted for Debt Service                                       | 946,116                    |
| Unrestricted, Unassigned  | <u>1,621,279</u>           |
| Total Fund Balance  | <u>2,897,694</u>           |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | <u><u>\$ 5,466,537</u></u> |

Amounts Reported for the Component Unit in the  
Statement of Net Position are Different Because:

|  |                           |
|--|---------------------------|
| Total Fund Balance of Component Unit   | \$ 2,897,694              |
| Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in governmental funds. | 4,999,880                 |
| Long-term liabilities are not due and payable in the current year, and therefore, are not reported in governmental funds.                  |                           |
| Notes Payable  | (7,892,084)               |
| Accrued Interest   | <u>(84,832)</u>           |
| Total Net Position of Component Unit   | <u><u>\$ (79,342)</u></u> |

**CITY OF WHEAT RIDGE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
COMPONENT UNIT – URBAN RENEWAL AUTHORITY  
YEAR ENDED DECEMBER 31, 2020**

**REVENUES**

|                        |                  |
|------------------------|------------------|
| Property Tax Increment | \$ 1,171,292     |
| Sales Tax Increment    | 870,716          |
| Intergovernmental      | 300,000          |
| Investment Income      | 10,950           |
|                        | <u>2,352,958</u> |
| Total Revenues         | <u>2,352,958</u> |

**EXPENDITURES**

|                       |                  |
|-----------------------|------------------|
| Current               |                  |
| Community Development | 31,478           |
| Capital Outlay        | 2,337,607        |
| Debt Service          |                  |
| Principal             | 295,000          |
| Interest              | 334,971          |
|                       | <u>2,999,056</u> |
| Total Expenditures    | <u>2,999,056</u> |

**NET CHANGE IN FUND BALANCE**

(646,098)

Fund Balance - Beginning of year

3,543,792

**FUND BALANCE - END OF YEAR**

\$ 2,897,694

Amounts Reported for the Component Unit in the  
Statement of Activities are Different Because:

|  |              |
|--|--------------|
| Net Change in Fund Balance of Component Unit | \$ (646,098) |
|--|--------------|

Repayments of long-term debt are expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount represents loan payments in the current year.

295,000

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. This amount represents changes in accrued interest payable and changes in the pollution remediation liability.

27,151

Change in Net Position of Component Unit

\$ (323,947)

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
WHEAT RIDGE URBAN RENEWAL AUTHORITY  
YEAR ENDED DECEMBER 31, 2020**

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|------------------------------------|
| <b>REVENUES</b>   |                     |                     |                     |                                    |
| Property Tax Increment                                  | \$ 660,000          | \$ 916,000          | \$ 1,171,292        | \$ 255,292                         |
| Sales Tax Increment                                     | 1,065,356           | 612,595             | 870,716             | 258,121                            |
| Intergovernmental                                       | 400,000             | 300,000             | 300,000             | -                                  |
| Sale of Property  | -                   | 355,219             | -                   | (355,219)                          |
| Investment Income                                       | 13,000              | 13,000              | 10,950              | (2,050)                            |
| Total Revenues  | <u>2,138,356</u>    | <u>2,196,814</u>    | <u>2,352,958</u>    | <u>156,144</u>                     |
| <b>EXPENDITURES</b>                                     |                     |                     |                     |                                    |
| Current   |                     |                     |                     |                                    |
| Community Development                                   | 857,400             | 194,600             | 31,478              | 163,122                            |
| Capital Outlay  | 3,191,429           | 1,279,000           | 2,337,607           | (1,058,607)                        |
| Debt Service  |                     |                     |                     |                                    |
| Principal   | 295,000             | 2,295,000           | 295,000             | 2,000,000                          |
| Interest  | 334,971             | 980,000             | 334,971             | 645,029                            |
| Total Expenditures                                      | <u>4,678,800</u>    | <u>4,748,600</u>    | <u>2,999,056</u>    | <u>1,749,544</u>                   |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>(2,540,444)</u>  | <u>(2,551,786)</u>  | <u>(646,098)</u>    | <u>1,905,688</u>                   |
| <b>NET CHANGE IN FUND BALANCE</b>                       | (2,540,444)         | (2,551,786)         | (646,098)           | 1,905,688                          |
| Fund Balance - Beginning of Year                        | 4,240,110           | 4,240,110           | 3,543,792           | (696,318)                          |
| <b>FUND BALANCE - END OF YEAR</b>                       | <u>\$ 1,699,666</u> | <u>\$ 1,688,324</u> | <u>\$ 2,897,694</u> | <u>\$ 1,209,370</u>                |

## STATE COMPLIANCE

**CITY OF WHEAT RIDGE  
LOCAL HIGHWAY FINANCE REPORT  
YEAR ENDED DECEMBER 31, 2020**

|   |                                 |  |  |   |                   |
|---|---------------------------------|--|--|---|-------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>   |                                 | City or County:<br>WHEAT RIDGE                         |  |   |                   |
|   |                                 | YEAR ENDING :<br>44,166                                |  |   |                   |
| This Information From The Records Of The City of Wheat Ridge:                             |                                 | Prepared By:<br>Phone:                                 | Mark Colvin, FinanceManager<br>303-235-2817      |   |                   |
| <b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b> |                                 |  |  |   |                   |
| ITEM  | A. Local<br>Motor-Fuel<br>Taxes | B. Local<br>Motor-Vehicle<br>Taxes                     | C. Receipts from<br>State Highway-<br>User Taxes | D. Receipts from<br>Federal Highway<br>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  |                                 |  |  |   |                   |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>  |                                 | <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b> |  |   |                   |
| ITEM  | AMOUNT                          | ITEM   | AMOUNT   |   |                   |
| <b>A. Receipts from local sources:</b>  |                                 | <b>A. Local highway disbursements:</b>                 |  |   |                   |
| 1. Local highway-user taxes   |                                 | 1. Capital outlay (from page 2)                        | 4,130,229  |   |                   |
| a. Motor Fuel (from Item I.A.5.)  |                                 | 2. Maintenance:  | 1,619,009  |   |                   |
| b. Motor Vehicle (from Item I.B.5.)   |                                 | 3. Road and street services:                           |  |   |                   |
| c. Total (a.+b.)  |                                 | a. Traffic control operations                          | 49,681   |   |                   |
| 2. General fund appropriations  |                                 | b. Snow and ice removal                                | 22,988   |   |                   |
| 3. Other local imposts (from page 2)  | 2,861,174                       | c. Other   |  |   |                   |
| 4. Miscellaneous local receipts (from page 2)   | 593,339                         | d. Total (a. through c.)                               | 72,669   |   |                   |
| 5. Transfers from toll facilities   |                                 | 4. General administration & miscellaneous              | 640,767  |   |                   |
| 6. Proceeds of sale of bonds and notes:   |                                 | 5. Highway law enforcement and safety                  | 2,873,085  |   |                   |
| a. Bonds - Original Issues  |                                 | 6. Total (1 through 5)                                 | 9,335,759  |   |                   |
| b. Bonds - Refunding Issues   |                                 | <b>B. Debt service on local obligations:</b>           |  |   |                   |
| c. Notes  |                                 | 1. Bonds:  |  |   |                   |
| d. Total (a. + b. + c.)   |                                 | a. Interest  |  |   |                   |
| 7. Total (1 through 6)  | 3,454,513                       | b. Redemption  |  |   |                   |
| <b>B. Private Contributions</b>   | -                               | c. Total (a. + b.)                                     | -  |   |                   |
| <b>C. Receipts from State government</b><br>(from page 2)                                 | 919,072                         | 2. Notes:  |  |   |                   |
| <b>D. Receipts from Federal Government</b><br>(from page 2)                               | 4,962,175                       | a. Interest  |  |   |                   |
| <b>E. Total receipts (A.7 + B + C + D)</b>  | 9,335,760                       | b. Redemption  |  |   |                   |
|   |                                 | c. Total (a. + b.)                                     | -  |   |                   |
|   |                                 | 3. Total (1.c + 2.c)                                   | 9,335,760  |   |                   |
| (Show all entries at par)   |                                 |  |  |   |                   |
|   |                                 | Opening Debt   | Amount Issued                                    | Redemptions   | Closing Debt      |
| <b>A. Bonds (Total)</b>   |                                 |  |  |   | -                 |
| 1. Bonds (Refunding Portion)  |                                 |  |  |   |                   |
| <b>B. Notes (Total)</b>   |                                 |  |  |   | -                 |
| <b>V. LOCAL ROAD AND STREET FUND BALANCE</b>  |                                 |  |  |   |                   |
|   | A. Beginning Balance            | B. Total Receipts                                      | C. Total Disbursements                           | D. Ending Balance                                     | E. Reconciliation |
|   | -                               | 9,335,760  | 9,335,760  | -   | -                 |
| <b>Notes and Comments:</b>  |                                 |  |  |   |                   |

**CITY OF WHEAT RIDGE  
LOCAL HIGHWAY FINANCE REPORT  
YEAR ENDED DECEMBER 31, 2020**

|   |   |  |                           |
|---|---|--|---------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                             |   | City or County:<br>WHEAT RIDGE             |                           |
|   |   | YEAR ENDING :<br>December 2020             |                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>       |   |  |                           |
| <b>ITEM</b>   | <b>AMOUNT</b>                           | <b>ITEM</b>                                | <b>AMOUNT</b>             |
| <b>A.3. Other local imposts:</b>                                |   | <b>A.4. Miscellaneous local receipts:</b>  |                           |
| a. Property Taxes and Assessments                               | 1,106,625                               | a. Interest on investments                 |                           |
| b. Other local imposts:   |   | b. Traffic Fines & Penalties               | 156,194                   |
| 1. Sales Taxes  | 1,754,549                               | c. Parking Garage Fees                     |                           |
| 2. Infrastructure & Impact Fees                                 |   | d. Parking Meter Fees                      |                           |
| 3. Liens  |   | e. Sale of Surplus Property                |                           |
| 4. Licenses   |   | f. Charges for Services                    | 265,203                   |
| 5. Specific Ownership &/or Other                                |   | g. Other Misc. Receipts                    | 11,519                    |
| 6. Total (1. through 5.)  | 1,754,549                               | h. Other                                   | 160,423                   |
| c. Total (a. + b.)  | 2,861,174                               | i. Total (a. through h.)                   | 593,339                   |
|   | (Carry forward to page 1)               |  | (Carry forward to page 1) |
| <b>ITEM</b>   | <b>AMOUNT</b>                           | <b>ITEM</b>                                | <b>AMOUNT</b>             |
| <b>C. Receipts from State Government</b>                        |   | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes   | 919,072                                 | 1. FHWA (from Item I.D.5.)                 |                           |
| 2. State general funds  |   | 2. Other Federal agencies:                 |                           |
| 3. Other State funds:   |   | a. Forest Service                          |                           |
| a. State bond proceeds  |   | b. FEMA                                    |                           |
| b. Project Match  |   | c. HUD                                     |                           |
| c. Motor Vehicle Registrations                                  |   | d. Federal Transit Admin                   | 4,962,175                 |
| d. Other - Local Government                                     | 0                                       | e. U.S. Corps of Engineers                 |                           |
| e. Other (Specify)  |   | f. Other Federal                           |                           |
| f. Total (a. through e.)  | 0                                       | g. Total (a. through f.)                   | 4,962,175                 |
| 4. Total (1. + 2. + 3.f)  | 919,072                                 | 3. Total (1. + 2.g)                        |                           |
|   |   |  | (Carry forward to page 1) |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |   |  |                           |
|   | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b)   | TOTAL<br>(c)              |
| <b>A.1. Capital outlay:</b>                                     |   |  |                           |
| a. Right-Of-Way Costs   | 2,500,206                               |  | 2,500,206                 |
| b. Engineering Costs  | 1,565,353                               |  | 1,565,353                 |
| c. Construction:  |   |  |                           |
| (1). New Facilities   |   |  | 0                         |
| (2). Capacity Improvements                                      |   |  | 0                         |
| (3). System Preservation  |   |  | 0                         |
| (4). System Enhancement & Operation                             | 64,669                                  |  | 64,669                    |
| (5). Total Construction (1) + (2) + (3) + (4)                   | 64,669                                  | 0  | 64,669                    |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)             | 4,130,229                               | 0  | 4,130,229                 |
|   |   |  | (Carry forward to page 1) |
| <b>Notes and Comments:</b>                                      |   |  |                           |

FORM FHWA-536 (Rev.1-05)

**FEDERAL COMPLIANCE – SINGLE AUDIT**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members of City Council  
City of Wheat Ridge, Colorado  
Wheat Ridge, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 2, 2021.

**Internal Control Over Financial Reporting**

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

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

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

Honorable Mayor and Members of City Council  
City of Wheat Ridge, Colorado

**Compliance and Other Matters**

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

**Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
July 2, 2021



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of City Council  
City of Wheat Ridge, Colorado  
Wheat Ridge, Colorado

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Wheat Ridge, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Honorable Mayor and Members of City Council  
City of Wheat Ridge, Colorado

### **Report on Internal Control Over Compliance**

Management of the City of Wheat Ridge, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
July 2, 2021

**CITY OF WHEAT RIDGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2020**

| <b>Federal Grantor/Pass through Grantor/<br/>Program or Cluster Title</b> | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass-Through<br/>Grantor's<br/>Number</b> | <b>Federal<br/>Expenditures</b> |
|---|------------------------------------|--|---------------------------------|
| <b>Executive Office of the President</b>                                  |                                    |  |                                 |
| High Intensity Drug Trafficking Areas Program                             | 95.001                             |  | \$ 37,395                       |
| Total Executive Office of the President Programs                          |                                    |  | <u>37,395</u>                   |
| <b>Department of Justice</b>  |                                    |  |                                 |
| <i>Passed Through the Colorado Division of Criminal Justice</i>           |                                    |  |                                 |
| Bullet Proof Vest   | 16.607                             |  | 4,069                           |
| Total Department of Justice Programs                                      |                                    |  | <u>4,069</u>                    |
| <b>Department of Treasury</b>   |                                    |  |                                 |
| <i>Passed Through Jefferson County, Colorado</i>                          |                                    |  |                                 |
| COVID-19 Coronavirus Relief Fund  | 21.019                             |  | 2,463,142                       |
| Total Department of Treasury  |                                    |  | <u>2,463,142</u>                |
| <b>Department of Transportation</b>                                       |                                    |  |                                 |
| <i>Passed Through the Colorado Department of Transportation</i>           |                                    |  |                                 |
| Highway Planning and Construction   | 20.205                             | 16-HA1-ZH-00035                              | 4,094,214                       |
| Total Department of Transportation  |                                    |  | <u>4,094,214</u>                |
| Total Expenditures of Federal Awards                                      |                                    |  | <u><u>\$ 6,598,820</u></u>      |

See accompanying notes to the Schedule of Expenditures of Federal Awards

**CITY OF WHEAT RIDGE  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2020**

**NOTE 1 BASIS OF ACCOUNTING**

The schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Encumbrances are used during the year for budgetary control purposes and lapse at fiscal year-end. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

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

**NOTE 4 SUBRECIPIENTS**

The City did not have subrecipients of federal awards for the year ended December 31, 2020.

**CITY OF WHEAT RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes       x       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes       x       none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes       x       no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes       x       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes       x       none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes       x       no

***Identification of Major Federal Programs***

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|------------------------------------|
| 20.205         | Highway Planning and Construction  |
| 21.109         | Coronavirus Relief Fund            |

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes       x       no

**CITY OF WHEAT RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).