



2021 AUDITED FINANCIAL STATEMENTS

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CITY OF WHEAT RIDGE
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021

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YEAR ENDED DECEMBER 31, 2021**

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INTRODUCTORY SECTION

**CITY OF WHEAT RIDGE
CITY OFFICIALS
DECEMBER 31, 2021**

MAYOR

Bud Starker

CITY COUNCIL

District 1

Judy Hutchinson
Janeece Hoppe

District 2

Rachel Hultin
Scott Ohm

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

PROCUREMENT MANAGER

Whitney Mugford-Smith

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, budgetary comparison schedule – Open Space Fund, and budgetary comparison schedule – Investing 4 the Future Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedule – Police Investigation Fund, budgetary comparison schedule – Municipal Court Fund, budgetary comparison schedule – Conservation Trust Fund, budgetary comparison schedule – Crime Prevention Fund, budgetary comparison schedule – Public Art Fund, budgetary comparison schedule – Equipment Replacement Fund, budgetary comparison schedule – Capital Projects Fund, balance sheet – Wheat Ridge Urban Renewal Authority, statement of revenues, expenditures, and changes in fund balance – Wheat Ridge Urban Renewal Authority, budgetary comparison schedule – Wheat Ridge Urban Renewal Authority, local highway finance report, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedule – Police Investigation Fund, budgetary comparison schedule – Municipal Court Fund, budgetary comparison schedule – Conservation Trust Fund, budgetary comparison schedule – Crime Prevention Fund, budgetary comparison schedule – Public Art Fund, budgetary comparison schedule – Equipment Replacement Fund, budgetary comparison schedule – Capital Projects Fund, balance sheet – Wheat Ridge Urban Renewal Authority, statement of revenues, expenditures, and changes in fund balance – Wheat Ridge Urban Renewal Authority, budgetary comparison schedule – Wheat Ridge Urban Renewal Authority, local highway finance report, and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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

Greenwood Village, Colorado
August 31, 2022

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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, 2021. 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 2021 by \$127.2 million (net position). Of this amount, \$32.1 million (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.
- At the close of fiscal year 2021, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$44.2 million, an increase of approximately \$14.5 million compared to the prior year. Approximately \$17.2 million (39%), is available for spending at the City's discretion (unassigned fund balance).
- At the end of the fiscal year 2021, unassigned fund balance for the General Fund was \$17.2 million, or 46% of total General Fund expenditures.
- General Fund actual revenues were \$11.5 million more than final budgeted revenue for the fiscal year 2021 and actual expenditures were \$3.3 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* 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 2021. 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, 2021**

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 \$127.2 million at the close of the 2021 fiscal year.

The largest portion of the City of Wheat Ridge's net position (67%) 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 (8%) 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 (\$32.1 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, 2021**

City of Wheat Ridge Net Position

	Governmental Activities	
	2021	2020
Current and Other Assets	\$ 51,593,665	\$ 33,911,277
Capital Assets	103,192,343	91,582,207
Total Assets	<u>154,786,008</u>	<u>125,493,484</u>
Other Liabilities	5,425,156	2,824,116
Long-Term Liabilities	20,848,939	23,836,303
Total Liabilities	<u>26,274,095</u>	<u>26,660,419</u>
Deferred Inflows of Resources	1,279,384	1,147,329
Net Position		
Net Investment in Capital Assets	85,081,923	74,896,281
Restricted	10,088,419	9,100,455
Unrestricted	32,062,187	13,689,000
Total Net Position	<u>\$ 127,232,529</u>	<u>\$ 97,685,736</u>

Changes in Net Position

Governmental activities.

- Current and other assets increased 52% in 2021 primarily due to an increase in cash and investments relating primarily to taxes and fees relating to a private-sector property development, federal funding, and a reimbursement of public infrastructure expenditures from the Clear Creek Crossing development.
- Capital assets increased by 13% due to construction in process primarily due to the public infrastructure completed for the Clear Creek Crossing and the Wadsworth improvement projects.
- Long-term liabilities decreased mostly due to payments of principal and interest on Sales and Use Tax Revenue Bonds Series 2017A.
- Other Liabilities increased by 92% relating primarily to the timing of payment of construction related liabilities, the City's year-end payroll, and use tax rebates.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

City of Wheat Ridge Changes in Net Position

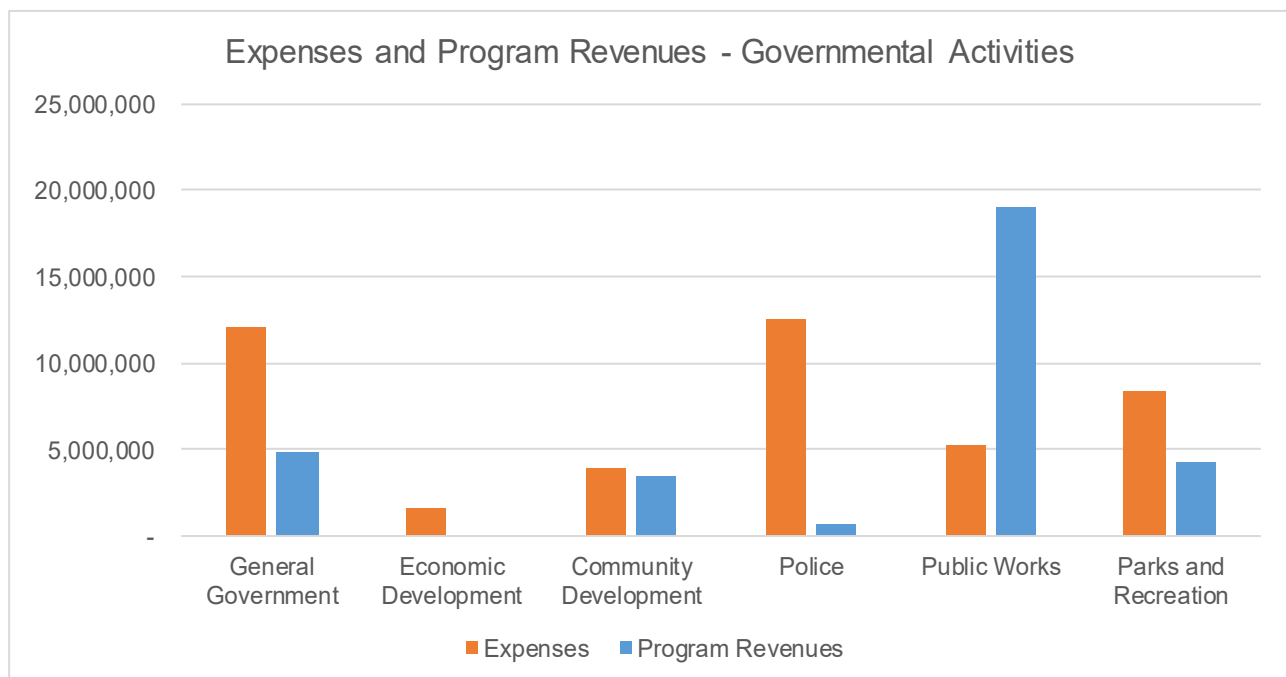
	<u>2021</u>	<u>2020</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 7,193,155	\$ 4,774,318
Operating Grants and Contributions	5,917,179	4,139,682
Capital Grants and Contributions	19,128,650	6,207,250
General Revenues		
Property Taxes	1,142,639	1,117,830
Sales Taxes	28,116,231	25,045,729
Use Taxes	7,395,649	5,936,103
Franchise Taxes	1,760,554	1,549,347
Lodgers Taxes	1,420,330	850,196
Other Taxes	807,265	741,664
Investment Income	29,275	410,583
Miscellaneous	<u>922,675</u>	<u>710,835</u>
Total Revenues	73,833,602	51,483,537
EXPENSES		
General Government	12,108,719	11,720,416
Economic Development	1,615,013	1,854,486
Community Development	3,958,895	2,875,501
Police	12,541,836	12,533,220
Public Works	5,205,295	5,100,882
Parks and Recreation	8,306,779	9,423,226
Interest on Long-Term Debt	<u>550,272</u>	<u>613,695</u>
Total Expenses	44,286,809	44,121,426
CHANGE IN NET POSITION	29,546,793	7,362,111
Net Position - Beginning of Year	<u>97,685,736</u>	<u>90,323,625</u>
NET POSITION - END OF YEAR	<u><u>\$ 127,232,529</u></u>	<u><u>\$ 97,685,736</u></u>

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

- As a result of the strong financial recovery from the COVID-19 pandemic, Sales Tax, Use Tax, Property Tax, Franchise Tax, Lodgers Tax, and Other Taxes increased by 15% compared to 2020.
- Charges for Services increased 51% compared to 2020 primarily relating to an increase in building permit and plan review fees relating to construction within the City's boundaries.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

- Operating Grants and Contributions increased 43% as a result of the increase in federal funding received by the City from the Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act in 2021 compared to the Coronavirus Relief Fund received during 2020.
- Capital Grants and Contributions increased 208% relating to grant revenue for the Wadsworth improvement project and a reimbursement of public infrastructure expenditures from a private-public developer related to the Clear Creek Crossing project.
- Overall expenses remained consistent in 2021 compared to 2020, with less than a 1% increase.



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 2021, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$44.2 million, an increase of \$14.5 million in comparison with the prior year. Approximately 39% of this total amount (\$17.2 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, 2021**

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	\$293,427
• Capital Projects – Investing 4 the Future	\$5,096,313
• Open space and parks	\$5,578,003
• Police Investigations Fund	\$36,482
• Crime Prevention Activities Fund	\$249,693
• Government Access Channel	\$225,183
• TABOR-mandated emergency reserves	\$1,900,000

or committed to:

• Municipal Court Fund	\$93,804
• Public Art Fund	\$370,313

or assigned to:

• Capital Projects Fund	\$11,975,910
• Capital Equipment Replacement Fund	\$83,860

The General Fund is the chief operating fund of the City of Wheat Ridge. At the end of fiscal year 2021, unassigned fund balance of the General Fund was \$17.2 million, while total General Fund balance increased to approximately \$20.7 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 46% of total General Fund expenditures, while total fund balance represents 55% 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 2021 include Prospect Park Phase 2 and the purchase of a parcel of land for open space development. At the end of 2021, the Open Space Fund balance was \$1.0 million higher than the prior year due to an increase in open space revenue received from Jefferson County and an increase in developer fees in 2021 compared to 2020.

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 2020, capital outlays were \$5.0 million higher in 2021 primarily due to on-going expenditures relating to the Wadsworth improvement project. Despite the increase in expenditures, fund balance of the Capital Projects Fund increased by \$4.0 million due to increased federal funding and a reimbursement of public infrastructure expenditures from a public-private developer related to the Clear Creek Crossing 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 decreased significantly due to the completion of project spending.

The City of Wheat Ridge has six non-major funds that are restricted for, committed to, and assigned to a variety of purposes. The combined fund balance is \$1.7 million, which is comparable to the fund balance of \$1.6 million in 2020.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

General Fund Budgetary Highlights

The original budget was amended by City Council for a total of \$3,622,027 in supplemental budget appropriations throughout the 2021 fiscal year. These amendments can be briefly summarized as follows:

Supplemental Budget Appropriations: Organized from largest to smallest expenditure

- \$1,600,000 allocated for increased building inspection costs
- \$1,134,656 allocated for an increase in FTE, vehicle purchases, and other operating expenditures that had been postponed due to 2020 COVID-related spending restrictions and re-evaluated mid-year 2021
- \$193,903 allocated for re-encumbrance of 2020 encumbered funds
- \$187,402 allocated for the construction of an outdoor fitness court
- \$150,000 allocated for the Lutheran Campus Master Plan
- \$62,000 allocated for the purchase of an additional police vehicle
- \$60,000 allocated for pop-up patios along 38th Avenue
- \$50,000 allocated for an FTE for building inspections
- \$33,534 allocated for an adjustment to worker's compensation insurance
- \$31,845 allocated for an FTE for licensing technician
- \$30,000 allocated for the hazardous tree removal program
- \$24,000 allocated for election services
- \$22,500 allocated for the Race and Equity Task Force
- \$14,940 allocated for the Pioneer Sod House planning and assessment
- \$13,797 allocated for Richards-Hart Estate planning and assessment
- \$13,450 allocated for the short-term rental management program

Actual tax revenue in the General Fund exceeded the final budgeted tax revenue by \$5.7 million due to stronger than expected economic growth and recovery from the COVID-19 pandemic during 2021. Intergovernmental revenue exceeded budget by \$4.2 million due to \$4.1 million of Coronavirus State and Local Recovery Funds received during 2021 under the American Rescue Plan Act.

The 2021 General Fund budget was adopted using \$1,274,671 of the fund balance to balance the budget and \$1.3 million of the fund balance was transferred to the Capital Improvement Program for capital projects. In addition, the final budget allocated \$3.6 million of the fund balance for supplemental budget appropriations as summarized above.

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, 2021 amounts to \$103.2 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 additions during the 2021 fiscal year totaled \$15.4 million and included the following:

- Land in the amount of \$0.6 million
 - Contributed land parcels relating to right of way
 - Purchase of 4100 Gray Street for additional park space

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

- Construction in Progress in the amount of \$13.8 million
 - Clear Creek Crossing
 - Wadsworth improvement project
 - City Hall on-going improvement projects
 - Public improvement projects
- Buildings and Structures in the amount of \$0.1 million
 - City Hall completed upgrades
- Infrastructure in the amount of \$0.1 million
 - 38th and Kipling Intersection
 - Bayou Ditch
- Vehicles in the amount of \$0.6 million
 - Four Police Patrol vehicles
 - Two Police Investigation vehicles
 - Two Administrative Services vehicles
 - One Community Development Inspections vehicle
 - One Active Adult Center vehicle
 - One Forestry bucket truck
- Machinery and Equipment in the amount of \$0.2 million
 - License plate reader
 - Server room equipment
 - Electric vehicle charging stations
 - Traffic signal upgrades
 - School playground equipment

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

	2021	2020
Land	\$ 16,861,934	\$ 16,259,787
Artwork	196,795	196,795
Construction in Progress	44,690,800	31,556,759
Land Improvements	16,678,220	17,424,154
Buildings	9,577,337	9,612,976
Vehicles	2,784,553	2,660,146
Machinery and Equipment	1,941,561	2,153,783
Infrastructure	9,911,148	11,094,906
Software	35,477	69,552
Solar Power Capacity	514,518	553,349
Total Capital Assets	<u>\$ 103,192,343</u>	<u>\$ 91,582,207</u>

Long-term debt. At the end of the 2021 fiscal year, the City of Wheat Ridge had total long-term debt outstanding of \$20.8 million. Of this amount, \$3.5 million is due within one year. This total debt represents future bond principal payable from the Investing 4 the Future sales and use tax bond fund, future amortization of bond premium, 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.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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.

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. In particular, lodgers' taxes, a funding source for the General, Crime Prevention and Capital Improvement Program funds fell to almost 50% of budget in 2020 but rebounded to pre-pandemic levels in 2021. Recreation related charges were heavily impacted in 2020 and show improvement in 2021, but not full recovery. Similarly, interest income, as budgeted, showed sharp decreases in 2021 and is anticipated to grow in 2022. The City received 50% of its \$7.9 million allocation from the American Rescue Plan Act in 2021 and will receive the second half in 2022 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, a large Starbucks location and a renovation of Applejack Wine and Spirits which is expected to result in incremental sales tax revenues.

The Corners at Wheat Ridge redevelopment project is nearly complete with only a few vacancies. Unfortunately, in 2020, its major tenant, Lucky's Market closed due to corporate financing. Negotiations are in progress to backfill the site but likely with a non-traditional retail tenant that will not generate as much sales tax as a grocer.

The Clear Creek Crossing project entitlements and public finance agreement were approved in 2018 and infrastructure construction is complete. 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) reimbursed the City \$9.8 million of approximately \$10.1 million for the access ramp construction in 2021. LPMD will reimburse the City for the access ramp balance plus \$542,038 for the environmental assessment expense in the coming years. The remaining reimbursement revenue has not been factored into the 2022 budget. Once the project is fully built out, sales tax, lodging, admissions and use tax revenue is projected to total \$1.8 million annually.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Renewal Wheat Ridge (RWR), the City's Urban Renewal Authority, issued tax-exempt bonds in November 2021 to fund various capital projects within the I-70/Kipling Corridors Urban Renewal Plan Area. The total bond issuance provided approximately \$36 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 Plan 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.

The redeveloped Gold's Marketplace site at 26th and Kipling has attracted several new businesses. Esters Neighborhood Pub, Queen City Collective Coffee, Em's Ice Cream, Illegal Petes and Live Slow Brewing Co are all scheduled to open in 2022. The improvements have allowed existing tenants Cosmo's Dog Bakery & Pet Supplies and BP Run Co to expand 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 2022 fiscal year budget is \$82.1 million. It includes a \$44.26 million operating budget, a \$3.9 million Investing 4 the Future capital projects budget, a \$5.9 million Renewal Wheat Ridge Bond capital projects budget, a \$21.8 million CIP budget and \$6.4 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. 29th Avenue
Wheat Ridge, Colorado 80033

BASIC FINANCIAL STATEMENTS

**CITY OF WHEAT RIDGE
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Urban Renewal Authority</u>
ASSETS		
Cash and Investments	\$ 36,572,994	\$ 3,479,287
Restricted Cash and Investments	5,030,410	42,836,537
Accounts Receivable	4,588,524	193,051
Property Taxes Receivable	1,279,384	2,476,375
Intergovernmental Receivables	2,743,926	-
Loans Receivable	1,085,000	-
Prepaid Items	293,427	-
Property Held for Resale	-	330,299
Capital Assets, Not Being Depreciated	61,749,529	4,999,880
Capital Assets, Net of Depreciation	<u>41,442,814</u>	<u>-</u>
Total Assets	154,786,008	54,315,429
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES		
Accounts Payable	3,930,639	689,693
Accrued Liabilities	984,566	-
Retainage Payable	18,849	-
Refundable Deposits	355,471	-
Unearned Revenues	67,860	-
Accrued Interest Payable	67,771	241,671
Noncurrent Liabilities:		
Due Within One Year	3,487,481	1,062,697
Due in More than One Year	<u>17,361,458</u>	<u>49,794,827</u>
Total Liabilities	26,274,095	51,788,888
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>1,279,384</u>	<u>2,476,375</u>
NET POSITION		
Net Investment in Capital Assets	85,081,923	-
Restricted for:		
Capital Projects	2,099,058	-
Open Space and Parks	5,578,003	-
Police Investigations	36,482	-
Crime Prevention Activities	249,693	-
Government Access Channel	225,183	-
Emergencies	1,900,000	-
Unrestricted	<u>32,062,187</u>	<u>50,166</u>
Total Net Position	<u>\$ 127,232,529</u>	<u>\$ 50,166</u>

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

					Net (Expense) Revenue and Change in Net Position	
					Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Urban Renewal Authority
PRIMARY GOVERNMENT						
Governmental Activities:						
General Government	\$ 12,108,719	\$ 624,411	\$ 4,193,045	\$ 34,209	\$ (7,257,054)	\$ -
Economic Development	1,615,013	-	-	-	(1,615,013)	-
Community Development	3,958,895	3,399,895	24,443	-	(534,557)	-
Police	12,541,836	489,126	168,944	-	(11,883,766)	-
Public Works	5,205,295	320,217	1,530,747	17,222,328	13,867,997	-
Parks and Recreation	8,306,779	2,359,506	-	1,872,113	(4,075,160)	-
Interest on Long-Term Debt	550,272	-	-	-	(550,272)	-
Total Primary Government	<u>\$ 44,286,809</u>	<u>\$ 7,193,155</u>	<u>\$ 5,917,179</u>	<u>\$ 19,128,650</u>	(12,047,825)	-
COMPONENT UNIT						
Urban Renewal Authority	<u>\$ 2,858,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	(2,858,774)
GENERAL REVENUES						
Property Taxes					1,142,639	1,835,231
Sales Taxes					28,116,231	905,899
Use Taxes					7,395,649	-
Franchise Taxes					1,760,554	-
Lodgers Taxes					1,420,330	-
Other Taxes					807,265	-
Investment Income					29,275	4,773
Total General Revenues					<u>41,594,618</u>	<u>2,988,282</u>
CHANGE IN NET POSITION					29,546,793	129,508
Net Position - Beginning of Year					<u>97,685,736</u>	<u>(79,342)</u>
NET POSITION - END OF YEAR					<u>\$ 127,232,529</u>	<u>\$ 50,166</u>

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Open Space	Capital Projects	Investing 4 the Future	Other Governmental Funds	Totals
ASSETS						
Cash and Investments	\$ 17,997,523	\$ 4,494,304	\$ 12,323,394	\$ -	\$ 1,757,773	\$ 36,572,994
Restricted Cash and Investments	-	-	-	5,030,410	-	5,030,410
Accounts Receivable	3,942,365	-	29,371	572,732	44,056	4,588,524
Property Taxes Receivable	1,279,384	-	-	-	-	1,279,384
Intergovernmental Receivables	313,217	446,110	1,984,599	-	-	2,743,926
Loans Receivable	1,085,000	-	-	-	-	1,085,000
Prepaid Items	293,427	-	-	-	-	293,427
Total Assets	<u>\$ 24,910,916</u>	<u>\$ 4,940,414</u>	<u>\$ 14,337,364</u>	<u>\$ 5,603,142</u>	<u>\$ 1,801,829</u>	<u>\$ 51,593,665</u>
LIABILITIES						
Accounts Payable	\$ 1,533,097	\$ 242,411	\$ 1,595,233	\$ 506,829	\$ 53,069	\$ 3,930,639
Accrued Liabilities	949,958	18,852	-	-	15,756	984,566
Retainage Payable	-	-	18,849	-	-	18,849
Refundable Deposits	355,471	-	-	-	-	355,471
Unearned Revenues	67,860	-	-	-	-	67,860
Total Liabilities	<u>2,906,386</u>	<u>261,263</u>	<u>1,614,082</u>	<u>506,829</u>	<u>68,825</u>	<u>5,357,385</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	1,279,384	-	-	-	-	1,279,384
Grants	-	-	747,372	-	-	747,372
Total Deferred Inflows of Resources	<u>1,279,384</u>	<u>-</u>	<u>747,372</u>	<u>-</u>	<u>-</u>	<u>2,026,756</u>
FUND BALANCES						
Nonspendable:						
Loans Receivable	1,085,000	-	-	-	-	1,085,000
Prepaid Items	293,427	-	-	-	-	293,427
Restricted for:						
Capital Projects	-	-	-	5,096,313	-	5,096,313
Open Space and Parks	-	4,679,151	-	-	898,852	5,578,003
Police Investigations	-	-	-	-	36,482	36,482
Crime Prevention Activities	-	-	-	-	249,693	249,693
Government Access Channel	225,183	-	-	-	-	225,183
Emergencies	1,900,000	-	-	-	-	1,900,000
Committed to:						
Municipal Court	-	-	-	-	93,804	93,804
Public Art	-	-	-	-	370,313	370,313
Assigned to:						
Capital Projects	-	-	11,975,910	-	-	11,975,910
Equipment Replacement	-	-	-	-	83,860	83,860
Unassigned	17,221,536	-	-	-	-	17,221,536
Total Fund Balances	<u>20,725,146</u>	<u>4,679,151</u>	<u>11,975,910</u>	<u>5,096,313</u>	<u>1,733,004</u>	<u>44,209,524</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,910,916</u>	<u>\$ 4,940,414</u>	<u>\$ 14,337,364</u>	<u>\$ 5,603,142</u>	<u>\$ 1,801,829</u>	<u>\$ 51,593,665</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, 2021**

Amounts report for governmental activities in the statement of net position are different because:

Total Fund Balances of Governmental Funds	\$ 44,209,524
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in governmental funds.	103,192,343
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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	747,372
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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	(17,700,000)
Bond Premium	(975,270)
Capital Lease Payable	(532,251)
Accrued Compensated Absences	(1,355,501)
Claims Payable	(285,917)
Accrued Interest Payable	(67,771)
	(17,700,000)

Total Net Position of Governmental Activities	\$ 127,232,529
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CITY OF WHEAT RIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Open Space	Capital Projects	Investing 4 the Future	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 34,885,124	\$ -	\$ 270,435	\$ 5,033,090	\$ 454,019	\$ 40,642,668
Licenses and Permits	2,348,799	-	-	-	-	2,348,799
Intergovernmental	5,889,584	1,872,113	16,273,732	-	407,421	24,442,850
Charges for Services	3,783,656	697,567	27,756	-	20,144	4,529,123
Fines and Forfeitures	295,424	-	-	-	19,809	315,233
Investment Income	20,405	131	63	7,640	1,036	29,275
Miscellaneous	548,359	40,175	-	306,791	-	895,325
Total Revenues	47,771,351	2,609,986	16,571,986	5,347,521	902,429	73,203,273
EXPENDITURES						
Current:						
General Government	11,358,771	-	-	275,836	8,506	11,643,113
Economic Development	1,614,385	-	-	-	-	1,614,385
Community Development	3,962,964	-	-	-	-	3,962,964
Police	11,861,333	-	-	-	460,598	12,321,931
Public Works	2,465,959	-	45,510	-	-	2,511,469
Parks and Recreation	5,401,162	1,569,943	-	-	-	6,971,105
Capital Outlay	1,093,184	-	9,811,751	5,032,263	273,515	16,210,713
Debt Service:						
Principal	47,622	-	-	2,665,000	-	2,712,622
Interest	32,545	-	-	832,100	-	864,645
Total Expenditures	37,837,925	1,569,943	9,857,261	8,805,199	742,619	58,812,947
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,933,426	1,040,043	6,714,725	(3,457,678)	159,810	14,390,326
OTHER FINANCING SOURCES (USES)						
Sales of Capital Assets	27,350	-	-	-	-	27,350
Insurance Recovery	34,209	-	-	-	-	34,209
Transfers In	-	-	1,300,000	-	-	1,300,000
Transfers Out	(1,300,000)	-	-	-	-	(1,300,000)
Total Financing Sources (Uses)	(1,238,441)	-	1,300,000	-	-	61,559
NET CHANGE IN FUND BALANCES	8,694,985	1,040,043	8,014,725	(3,457,678)	159,810	14,451,885
Fund Balances - Beginning of Year	12,030,161	3,639,108	3,961,185	8,553,991	1,573,194	29,757,639
FUND BALANCES - END OF YEAR	<u>\$ 20,725,146</u>	<u>\$ 4,679,151</u>	<u>\$ 11,975,910</u>	<u>\$ 5,096,313</u>	<u>\$ 1,733,004</u>	<u>\$ 44,209,524</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, 2021

Amounts reported for governmental activities in the state of activities is different because:

Net Change in Fund Balances of Governmental Funds	\$ 14,451,885
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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	15,340,809
Depreciation Expense	(3,772,372)
Contributed Assets	75,804
Net Book Value of Disposals	(34,105)

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	492,966
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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	2,665,000
Capital Lease Payments	47,622

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	4,442
Amortization of Premium	309,931
Compensated Absences	107,303
Claims Payable	(142,492)

Change in Net Position of Governmental Activities	\$ 29,546,793
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**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 accounting principles generally accepted in the United States of America 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, 2021**

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, 2021**

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 – Receivables include sales, use and lodgers' taxes and a loan. 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, 2021**

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 to 40 Years
Buildings	10 to 40 Years
Vehicles, Machinery, and Equipment	3 to 40 Years
Infrastructure	20 to 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. Governmental funds can report fund balance classifications of nonspendable, restricted, committed, assigned, and unassigned. The nonspendable classification is generally for inventories and prepaid expenses that are part of fund balance but not available for spending. Restricted amounts are not available for appropriation because they are legally restricted by an outside party for a specific purpose. Committed funds are reserved for a specific purpose by City Council and cannot be committed or uncommitted without formal action through resolution by City Council. 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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Unassigned is a residual classification within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

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.

NOTE 2 CASH AND INVESTMENTS

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

Petty Cash	\$ 4,150
Cash Deposits	5,871,227
Investments	82,043,851
Total	<u>\$ 87,919,228</u>

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

Cash and Investments - Primary Government	\$ 36,572,994
Restricted Cash and Investments - Primary Government	5,030,410
Cash and Investments - Component Unit	3,479,287
Restricted Cash and Investments - Component Unit	42,836,537
Total	<u>\$ 87,919,228</u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

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

At December 31, 2021, the City and the Authority had bank deposits with a carrying amount of \$2,392,125 and \$3,479,102, 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

The City and the Authority had the following investments at December 31, 2021:

Investment Type	Rating	Investment Maturities (in Years)		
		Less Than 1	1 to 5	Total
CSAFE Cash	AAAmf	\$ 95,753	\$ -	\$ 95,753
CSAFE Core	AAAf	59,369,621	-	59,369,621
CSIP LGIP	AAAm	56	-	56
CSIP Term	AAAf	15,105,643	-	15,105,643
Money Market Funds	AAAm	7,472,778	-	7,472,778
Total		<u>\$ 82,043,851</u>	<u>\$ -</u>	<u>\$ 82,043,851</u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 accounting principles generally accepted in the United States of America. 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.

Local Government Investment Pools – At December 31, 2021, the City and Authority had \$59,369,621 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 CSAF. The external investment pool is measured at net asset value (NAV) with each share valued at \$2.00. CSAF Core is rated AAf by Fitch. Investments of CSAF Core 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.

At December 31, 2021, the City had \$95,753 invested in the Colorado Surplus Asset Fund Trust (CSAFE) Cash Fund, an investment vehicle established for local government entities in Colorado to pool surplus funds. The external investment pool is measured at amortized cost with each share valued at \$1.00. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSAF Cash is rated AAmmf by Fitch. Investments of CSAF Cash 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.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

At December 31, 2021, the City had \$56 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 Liquid is rated AAAM by Standard and Poor's. Investments of CSIP Liquid 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, 2021, the City had \$15,105,643 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. CSIP Term is rated AA+ by Fitch. Investments of CSIP Term 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 has \$7,472,778 in money market accounts at a financial institution which is valued 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, 2021, the outstanding balance on the loans was \$1,085,000. The City did not receive principal or interest payments under either loan agreement during 2021.

CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS

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

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 16,259,787	\$ 602,147	\$ -	\$ 16,861,934
Artwork	196,795	-	-	196,795
Construction in Progress	31,556,759	13,800,283	(666,242)	44,690,800
Total Capital Assets Not Being Depreciated	48,013,341	14,402,430	(666,242)	61,749,529
Capital Assets, Being Depreciated:				
Land Improvements	26,023,049	-	-	26,023,049
Buildings	23,676,764	563,446	-	24,240,210
Vehicles	6,222,744	581,731	(312,986)	6,491,489
Machinery and Equipment	8,536,819	284,758	-	8,821,577
Infrastructure	71,150,325	250,490	-	71,400,815
Software	394,497	-	-	394,497
Solar Power Capacity	776,628	-	-	776,628
Total Capital Assets, Being Depreciated	136,780,826	1,680,425	(312,986)	138,148,265
Less Accumulated Depreciation:				
Land Improvements	(8,598,895)	(745,934)	-	(9,344,829)
Buildings	(14,063,788)	(599,085)	-	(14,662,873)
Vehicles	(3,562,598)	(423,219)	278,881	(3,706,936)
Machinery and Equipment	(6,383,036)	(496,980)	-	(6,880,016)
Infrastructure	(60,055,419)	(1,434,248)	-	(61,489,667)
Software	(324,945)	(34,075)	-	(359,020)
Solar Power Capacity	(223,279)	(38,831)	-	(262,110)
Total Accumulated Depreciation	(93,211,960)	(3,772,372)	278,881	(96,705,451)
Total Capital Assets, Being Depreciated, Net	43,568,866	(2,091,947)	(34,105)	41,442,814
Governmental Activities Capital Assets, Net	<u>\$ 91,582,207</u>	<u>\$ 12,310,483</u>	<u>\$ (700,347)</u>	<u>\$ 103,192,343</u>

CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

General Government	\$ 292,185
Community Development	11,275
Police	229,995
Public Works	1,896,179
Parks and Recreation	1,342,738
Total	<u>\$ 3,772,372</u>

Capital asset activity for the Urban Renewal Authority for the year ended December 31, 2021, is summarized below.

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 4,999,880	\$ -	\$ -	\$ 4,999,880
Total Capital Assets	<u>\$ 4,999,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,999,880</u>

NOTE 5 LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2021.

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Governmental Activities					
2017 Revenue Bonds	\$ 20,365,000	\$ -	\$ 2,665,000	\$ 17,700,000	\$ 2,720,000
2017 Bond Premium	1,285,201	-	309,931	975,270	290,078
Solar Power Capacity Lease	579,873	-	47,622	532,251	47,622
Compensated Absences	1,462,804	1,573,668	1,680,971	1,355,501	143,864
Claims Payable	143,425	228,919	86,427	285,917	285,917
Total	<u>\$ 23,836,303</u>	<u>\$ 1,802,587</u>	<u>\$ 4,789,951</u>	<u>\$ 20,848,939</u>	<u>\$ 3,487,481</u>
Urban Renewal Authority					
Private Placement:					
2014 Loans Payable	\$ 945,000	\$ -	\$ 305,000	\$ 640,000	\$ 315,000
2018 Loans Payable	6,375,000	-	6,375,000	-	-
Series 2021 Bonds	-	42,105,000	-	42,105,000	160,000
2021 Bond Premium	-	8,198,367	85,843	8,112,524	587,697
Pollution Remediation	572,084	-	572,084	-	-
Total	<u>\$ 7,892,084</u>	<u>\$ 50,303,367</u>	<u>\$ 7,337,927</u>	<u>\$ 50,857,524</u>	<u>\$ 1,062,697</u>

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

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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, 2021, revenues of \$5,033,090 were available to pay annual debt service of \$3,497,100.

Remaining debt service at December 31, 2021, was as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,260,000	238,800	3,498,800
2027	2,710,000	108,400	2,818,400
Total	<u>\$ 17,700,000</u>	<u>\$ 2,618,400</u>	<u>\$ 20,318,400</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, 2021, capital assets of \$394,497, net of accumulated depreciation, were reported under this lease.

Following is a schedule of the future minimum lease payments at December 31, 2021.

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 80,167
2023	80,167
2024	80,167
2025	80,167
2026	80,167
2027-2030	<u>273,884</u>
Total Minimum Lease Payments	674,719
Less: Interest Portion	<u>(142,468)</u>
Present Value of Minimum Lease Payments	<u>\$ 532,251</u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM DEBT (CONTINUED)

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. During the year ended December 31, 2021, revenues of \$2,352,958 were available to pay annual debt service of \$305,000 in principal and \$381,724 in interest.

Future debt service on the 2014 loan agreement is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 315,000	\$ 20,224	\$ 335,224
2023	325,000	10,270	335,270
Total	<u>\$ 640,000</u>	<u>\$ 30,494</u>	<u>\$ 670,494</u>

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 with an interest rate at 4.65% per annum. During the year ended December 31, 2021, this loan was fully paid using part of the proceeds from the Series 2021 bonds. The economic gain from refunding the 2018 loan agreement with the Series 2021 bonds was \$790,849.

Urban Renewal Authority Series 2021 Bonds

On November 9, 2021, the Authority issued the Series 2021 Tax Increment Revenue Refunding and Improvement Bonds for \$42,105,000 along with a premium of \$8,198,367, to refund the 2018 loan agreement and to finance various street improvements. Interest of 4.00% is due on June 1 and December 1 of each year, commencing on June 1, 2022. Principal payments are due annually beginning December 1, 2022, through 2040.

Future debt service on the Series 2021 bonds is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 160,000	\$ 1,875,514	\$ 2,035,514
2023	1,185,000	1,761,100	2,946,100
2024	-	1,713,700	1,713,700
2025	740,000	1,713,700	2,453,700
2026	865,000	1,684,100	2,549,100
2027-2031	9,305,000	7,498,750	16,803,750
2032-2036	14,200,000	4,916,000	19,116,000
2037-2040	15,650,000	1,666,000	17,316,000
Total	<u>\$ 42,105,000</u>	<u>\$ 22,828,864</u>	<u>\$ 64,933,864</u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM DEBT (CONTINUED)

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.

During the year ended December 31, 2021, the Authority completed the anticipated remediation actions and received approval from the Colorado Department of Public Health and Environment on the filing of a "No Action Petition", indicating that there are no additional remediation actions anticipated at this site.

NOTE 6 INTERFUND ACTIVITY

During the year ended December 31, 2021, the General Fund transferred \$1,300,000 to the Capital Projects Fund to finance capital projects and to purchase additional equipment.

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 and automobile, property and physical damage claims to a maximum of \$10,000. 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, 2021 and 2020, were as follows:

	2021	2020
Claims Payable - January 1	\$ 143,425	\$ 87,753
Incurred Claims and Changes in Estimated Claims	228,919	152,769
Claims Paid	(86,427)	(97,097)
Claims Payable - December 31	<u>\$ 285,917</u>	<u>\$ 143,425</u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 2021, employees contributed 10% of their compensation to the Plan and the City contributed 11%. 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, 2021, the City's pension expense was \$791,375 and employee contributions to the Plan were \$720,762, 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 2021 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, 2021, the City's pension expense was \$74,606 and employee contributions to the Plan were \$39,094, equal to the required contributions.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 2021 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, 2021, the City's pension expense was \$542,151 and employee contributions to the Plan were \$361,415, 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, 2021, the emergency reserve of \$1,900,000 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, 2021, 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, 2021**

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 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. During the year ended December 31, 2021, the outstanding balance was paid in full.

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, 2021, the City abated 3% of applicable use taxes totaling \$271,070. The rebates were primarily 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 and for a property developer constructing certain public improvements. The maximum rebate allowed over the course of these projects is \$14,980,617.

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, 2021, the Authority rebated property tax increment revenues and sales tax increment revenues for a total of \$1,595,063. 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 \$18,073,521.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 29,153,693	\$ 29,153,693	\$ 34,885,124	\$ 5,731,431
Licenses and Permits	1,888,500	1,888,500	2,348,799	460,299
Intergovernmental	1,720,105	1,720,105	5,889,584	4,169,479
Charges for Services	2,685,411	2,685,411	3,783,656	1,098,245
Fines and Forfeitures	324,900	324,900	295,424	(29,476)
Investment Income	45,000	45,000	20,405	(24,595)
Miscellaneous	466,270	466,270	548,359	82,089
Total Revenues	36,283,879	36,283,879	47,771,351	11,487,472
EXPENDITURES				
Current:				
General Government	11,333,237	11,935,932	11,358,771	577,161
Economic Development	1,751,554	1,753,304	1,614,385	138,919
Community Development	2,571,974	4,571,369	3,962,964	608,405
Police	12,054,938	12,153,320	11,861,333	291,987
Public Works	3,291,780	3,583,280	2,465,959	1,117,321
Parks and Recreation	6,555,067	6,872,872	5,401,162	1,471,710
Capital Outlay	-	310,500	1,093,184	(782,684)
Debt Service:				
Principal	-	-	47,622	(47,622)
Interest	-	-	32,545	(32,545)
Total Expenditures	37,558,550	41,180,577	37,837,925	3,342,652
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,274,671)	(4,896,698)	9,933,426	14,830,124
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	-	-	27,350	27,350
Insurance Recovery	-	-	34,209	34,209
Transfers Out	1,300,000	1,300,000	(1,300,000)	(2,600,000)
Total Other Financing Sources (Uses)	1,300,000	1,300,000	(1,238,441)	(2,538,441)
NET CHANGE IN FUND BALANCE	25,329	(3,596,698)	8,694,985	12,291,683
Fund Balance - Beginning of Year	13,209,311	12,030,161	12,030,161	-
FUND BALANCE - END OF YEAR	<u>\$ 13,234,640</u>	<u>\$ 8,433,463</u>	<u>\$ 20,725,146</u>	<u>\$ 12,291,683</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE – OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,872,113	\$ 672,113
Charges for Services	838,069	838,069	697,567	(140,502)
Grants	762,970	872,970	-	(872,970)
Investment Income	250	250	131	(119)
Miscellaneous	-	-	40,175	40,175
Total Revenues	<u>2,801,289</u>	<u>2,911,289</u>	<u>2,609,986</u>	<u>(301,303)</u>
EXPENDITURES				
Current:				
Parks and Recreation	2,940,122	3,963,954	1,569,943	2,394,011
Capital Outlay	-	556,275	-	556,275
Total Expenditures	<u>2,940,122</u>	<u>4,520,229</u>	<u>1,569,943</u>	<u>2,950,286</u>
NET CHANGE IN FUND BALANCE	(138,833)	(1,608,940)	1,040,043	2,648,983
Fund Balance - Beginning of Year	<u>2,658,220</u>	<u>3,639,108</u>	<u>3,639,108</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,519,387</u>	<u>\$ 2,030,168</u>	<u>\$ 4,679,151</u>	<u>\$ 2,648,983</u>

CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE – INVESTING 4 THE FUTURE FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 4,247,282	\$ 4,247,282	\$ 5,033,090	\$ 785,808
Investment Income	23,642	23,642	7,640	(16,002)
Miscellaneous	-	-	306,791	306,791
Total Revenues	4,270,924	4,270,924	5,347,521	1,076,597
EXPENDITURES				
Current:				
General Government	-	22,000	275,836	(253,836)
Capital Outlay	-	5,538,850	5,032,263	506,587
Debt Service:				
Principal	2,665,000	2,665,000	2,665,000	-
Interest	832,600	832,600	832,100	500
Total Expenditures	3,497,600	9,058,450	8,805,199	253,251
NET CHANGE IN FUND BALANCE	773,324	(4,787,526)	(3,457,678)	1,329,848
Fund Balance - Beginning of Year	13,774,087	8,553,991	8,553,991	-
FUND BALANCE - END OF YEAR	<u>\$ 14,547,411</u>	<u>\$ 3,766,465</u>	<u>\$ 5,096,313</u>	<u>\$ 1,329,848</u>

**CITY OF WHEAT RIDGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

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 accounting principles generally accepted in the United States of America.

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, 2021**

	Police Investigation	Municipal Court	Conservation Trust	Crime Prevention	Public Art	Equipment Replacement	Totals
ASSETS							
Cash and Investments	\$ 36,482	\$ 98,701	\$ 947,024	\$ 221,393	\$ 370,313	\$ 83,860	\$ 1,757,773
Accounts Receivable	-	-	-	44,056	-	-	44,056
Total Assets	<u>\$ 36,482</u>	<u>\$ 98,701</u>	<u>\$ 947,024</u>	<u>\$ 265,449</u>	<u>\$ 370,313</u>	<u>\$ 83,860</u>	<u>\$ 1,801,829</u>
LIABILITIES							
Accounts Payable	\$ -	\$ 4,897	\$ 48,172	\$ -	\$ -	\$ -	\$ 53,069
Accrued Liabilities	-	-	-	15,756	-	-	15,756
Total Liabilities	<u>-</u>	<u>4,897</u>	<u>48,172</u>	<u>15,756</u>	<u>-</u>	<u>-</u>	<u>68,825</u>
FUND BALANCES							
Restricted for:							
Open Space and Parks	-	-	898,852	-	-	-	898,852
Police Investigations	36,482	-	-	-	-	-	36,482
Crime Prevention Activities	-	-	-	249,693	-	-	249,693
Committed to:							
Municipal Court	-	93,804	-	-	-	-	93,804
Public Art	-	-	-	-	370,313	-	370,313
Assigned to:							
Equipment Replacement	-	-	-	-	-	83,860	83,860
Total Fund Balances	<u>36,482</u>	<u>93,804</u>	<u>898,852</u>	<u>249,693</u>	<u>370,313</u>	<u>83,860</u>	<u>1,733,004</u>
Total Liabilities and Fund Balances	<u>\$ 36,482</u>	<u>\$ 98,701</u>	<u>\$ 947,024</u>	<u>\$ 265,449</u>	<u>\$ 370,313</u>	<u>\$ 83,860</u>	<u>\$ 1,801,829</u>

CITY OF WHEAT RIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR FUNDS
YEAR ENDED DECEMBER 31, 2021

	Police Investigation	Municipal Court	Conservation Trust	Crime Prevention	Public Art	Equipment Replacement	Totals
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 405,652	\$ 48,367	\$ -	\$ 454,019
Intergovernmental	-	-	379,826	-	27,595	-	407,421
Charges for Services	-	-	-	-	20,144	-	20,144
Fines and Forfeitures	-	7,955	-	11,854	-	-	19,809
Investment Income	3	20	887	30	43	53	1,036
Total Revenues	3	7,975	380,713	417,536	96,149	53	902,429
EXPENDITURES							
Current:							
General Government	-	8,506	-	-	-	-	8,506
Police	537	-	-	460,061	-	-	460,598
Capital Outlay	-	-	270,116	-	-	3,399	273,515
Total Expenditures	537	8,506	270,116	460,061	-	3,399	742,619
NET CHANGE IN FUND BALANCES	(534)	(531)	110,597	(42,525)	96,149	(3,346)	159,810
Fund Balances - Beginning of Year	37,016	94,335	788,255	292,218	274,164	87,206	1,573,194
FUND BALANCES - END OF YEAR	<u>\$ 36,482</u>	<u>\$ 93,804</u>	<u>\$ 898,852</u>	<u>\$ 249,693</u>	<u>\$ 370,313</u>	<u>\$ 83,860</u>	<u>\$ 1,733,004</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
POLICE INVESTIGATION FUND
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment Income	\$ 10	\$ 3	\$ (7)
EXPENDITURES			
Current:			
Police	15,000	537	14,463
NET CHANGE IN FUND BALANCE	(14,990)	(534)	14,456
Fund Balance - Beginning of Year	22,019	37,016	14,997
FUND BALANCE - END OF YEAR	<u>\$ 7,029</u>	<u>\$ 36,482</u>	<u>\$ 29,453</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL COURT FUND
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 12,500	\$ 7,955	\$ (4,545)
Investment Income	50	20	(30)
Total Revenues	<u>12,550</u>	<u>7,975</u>	<u>(4,575)</u>
EXPENDITURES			
Current:			
General Government	<u>29,000</u>	<u>8,506</u>	<u>20,494</u>
NET CHANGE IN FUND BALANCE	(16,450)	(531)	15,919
Fund Balance - Beginning of Year	<u>79,210</u>	<u>94,335</u>	<u>15,125</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 62,760</u></u>	<u><u>\$ 93,804</u></u>	<u><u>\$ 31,044</u></u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 320,000	\$ 320,000	\$ 379,826	\$ 59,826
Investment Income	3,585	3,585	887	(2,698)
Total Revenues	323,585	323,585	380,713	57,128
EXPENDITURES				
Current:				
Capital Outlay	344,750	894,740	270,116	624,624
NET CHANGE IN FUND BALANCE	(21,165)	(571,155)	110,597	681,752
Fund Balance - Beginning of Year	178,445	788,255	788,255	-
FUND BALANCE - END OF YEAR	<u>\$ 157,280</u>	<u>\$ 217,100</u>	<u>\$ 898,852</u>	<u>\$ 681,752</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
CRIME PREVENTION FUND
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Lodgers Taxes	\$ 300,000	\$ 405,652	\$ 105,652
Fines and Forfeitures	20,000	11,854	(8,146)
Investment Income	100	30	(70)
Total Revenues	<u>320,100</u>	<u>417,536</u>	<u>97,436</u>
EXPENDITURES			
Current:			
Police	<u>578,614</u>	<u>460,061</u>	<u>118,553</u>
NET CHANGE IN FUND BALANCE	(258,514)	(42,525)	215,989
Fund Balance - Beginning of Year	<u>277,452</u>	<u>292,218</u>	<u>14,766</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 18,938</u></u>	<u><u>\$ 249,693</u></u>	<u><u>\$ 230,755</u></u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
PUBLIC ART FUND
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Use Taxes	\$ 9,000	\$ 48,367	\$ 39,367
Intergovernmental	-	27,595	27,595
Charges for Services	453,400	20,144	(433,256)
Investment Income	100	43	(57)
Total Revenues	<u>462,500</u>	<u>96,149</u>	<u>(366,351)</u>
EXPENDITURES			
Current:			
Parks and Recreation	<u>618,000</u>	<u>-</u>	<u>618,000</u>
NET CHANGE IN FUND BALANCE	(155,500)	96,149	251,649
Fund Balance - Beginning of Year	<u>266,115</u>	<u>274,164</u>	<u>8,049</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 110,615</u></u>	<u><u>\$ 370,313</u></u>	<u><u>\$ 259,698</u></u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment Income	\$ 100	\$ 100	\$ 53	\$ (47)
EXPENDITURES				
Capital Outlay	6,500	9,899	3,399	6,500
NET CHANGE IN FUND BALANCE	(6,400)	(9,799)	(3,346)	6,453
Fund Balance - Beginning of Year	173,716	87,206	87,206	-
FUND BALANCE - END OF YEAR	<u>\$ 167,316</u>	<u>\$ 77,407</u>	<u>\$ 83,860</u>	<u>\$ 6,453</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Lodgers Taxes	\$ 200,000	\$ 200,000	\$ 270,435	\$ 70,435
Intergovernmental	12,006,000	12,006,000	16,273,732	4,267,732
Charges for Services	-	-	27,756	27,756
Investment Income	125	125	63	(62)
Total Revenues	12,206,125	12,206,125	16,571,986	4,365,861
EXPENDITURES				
Public Works	-	-	45,510	(45,510)
Capital Outlay	13,872,662	14,893,981	9,811,751	5,082,230
Total Expenditures	13,872,662	14,893,981	9,857,261	5,036,720
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,666,537)	(2,687,856)	6,714,725	9,402,581
OTHER FINANCIAL SOURCES				
Transfers In	1,300,000	1,300,000	1,300,000	-
NET CHANGE IN FUND BALANCE	(366,537)	(1,387,856)	8,014,725	9,402,581
Fund Balance - Beginning of Year	3,422,098	3,961,185	3,961,185	-
FUND BALANCE - END OF YEAR	<u>\$ 3,055,561</u>	<u>\$ 2,573,329</u>	<u>\$ 11,975,910</u>	<u>\$ 9,402,581</u>

**CITY OF WHEAT RIDGE
BALANCE SHEET
COMPONENT UNIT – URBAN RENEWAL AUTHORITY
DECEMBER 31, 2021**

ASSETS

Cash and Investments	\$ 3,479,287
Restricted Cash and Investments	42,836,537
Accounts Receivable	193,051
Property Taxes Receivable	2,476,375
Property Held for Resale	<u>330,299</u>
Total Assets	<u><u>\$ 49,315,549</u></u>

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

LIABILITIES

Accounts Payable	\$ 689,693
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DEFERRED INFLOWS OF RESOURCES

Property Taxes	2,476,375
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FUND BALANCE

Nonspendable Property Held for Resale	330,299
Restricted for Debt Service	7,472,779
Restricted for Capital Projects	35,363,758
Unrestricted, Unassigned	<u>2,982,645</u>
Total Fund Balance	<u><u>46,149,481</u></u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 49,315,549</u></u>
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Amounts reported for the component unit in the statement of net position are different because:

Total Fund Balance of Component Unit	\$ 46,149,481
--------------------------------------	---------------

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.

Loans Payable	(640,000)
Bonds Payable	(42,105,000)
Bond Premium	(8,112,524)
Accrued Interest	<u>(241,671)</u>

Total Net Position of Component Unit	<u><u>\$ 50,166</u></u>
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CITY OF WHEAT RIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT – URBAN RENEWAL AUTHORITY
YEAR ENDED DECEMBER 31, 2021

REVENUES

Property Tax Increment	\$ 1,835,231
Sales Tax Increment	905,899
Investment Income	4,773
Miscellaneous	242,379
Total Revenues	<u>2,988,282</u>

EXPENDITURES

Current:	
Community Development	44,413
Capital Outlay	2,189,774
Debt Service:	
Principal	305,000
Interest	381,724
Debt Issuance Costs	743,951
Total Expenditures	<u>3,664,862</u>

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (676,580)

OTHER FINANCING SOURCES (USES)

Debt Proceeds	35,730,000
Debt Proceeds - Refunding	6,375,000
Debt Proceeds - Premium	8,198,367
Debt Service - Principal	(6,375,000)
Total Other Financing Sources (Uses)	<u>43,928,367</u>

NET CHANGE IN FUND BALANCE 43,251,787

Fund Balance - Beginning of year 2,897,694

FUND BALANCE - END OF YEAR \$ 46,149,481

Amounts reported for the component unit in the statement of activities are different because:

Net Change in Fund Balance of Component Unit \$ 43,251,787

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.

Payment of Loan Principal	305,000
Proceeds from Issuance of Debt	(35,730,000)
Proceeds from Issuance of Refunding Debt	(6,375,000)
Issuance of Bond Premium	(8,198,367)
Repayment of Loan	6,375,000

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, amortization of bond premium, and changes in the pollution remediation liability.

501,088

Change in Net Position of Component Unit \$ 129,508

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
WHEAT RIDGE URBAN RENEWAL AUTHORITY
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Tax Increment	\$ 1,405,000	\$ 970,024	\$ 1,835,231	\$ 865,207
Sales Tax Increment	701,925	701,925	905,899	203,974
Intergovernmental	1,000,000	1,000,000	-	(1,000,000)
Investment Income	11,600	11,600	4,773	(6,827)
Miscellaneous	353,720	353,720	242,379	(111,341)
Total Revenues	3,472,245	3,037,269	2,988,282	(48,987)
EXPENDITURES				
Current:				
Community Development	77,600	77,146	44,413	32,733
Capital Outlay	2,867,000	3,075,796	2,189,774	886,022
Debt Service:				
Principal	305,000	305,000	305,000	-
Interest	1,466,000	381,724	381,724	-
Debt Issuance Costs	-	724,715	743,951	(19,236)
Total Expenditures	4,715,600	4,564,381	3,664,862	899,519
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,243,355)	(1,527,112)	(676,580)	850,532
OTHER FINANCIAL SOURCES				
Debt Proceeds	-	35,730,000	35,730,000	-
Debt Proceeds - Refunding	-	6,375,000	6,375,000	-
Debt Proceeds - Premium	-	8,198,367	8,198,367	-
Debt Service - Principal	-	(6,375,000)	(6,375,000)	-
Total Other Financing Sources (Uses)	-	43,928,367	43,928,367	-
NET CHANGE IN FUND BALANCE	(1,243,355)	42,401,255	43,251,787	850,532
Fund Balance - Beginning of Year	3,535,293	2,897,694	2,897,694	-
FUND BALANCE - END OF YEAR	\$ 2,291,938	\$ 45,298,949	\$ 46,149,481	\$ 850,532

STATE COMPLIANCE

**CITY OF WHEAT RIDGE
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2021**

LOCAL HIGHWAY FINANCE REPORT		City or County: WHEAT RIDGE	
		YEAR ENDING : December 2021	
This Information From The Records Of The City of Wheat Ridge:		Prepared By: Phone:	Mark Colvin, Finance Manager 303-235-2817

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,380,921
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,690,036
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	108,812
2. General fund appropriations		b. Snow and ice removal	14,805
3. Other local imposts (from page 2)	6,138,850	c. Other	
4. Miscellaneous local receipts (from page 2)	1,311,792	d. Total (a. through c.)	123,617
5. Transfers from toll facilities		4. General administration & miscellaneous	628,198
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,913,817
a. Bonds - Original Issues		6. Total (1 through 5)	14,736,589
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	7,450,642	b. Redemption	
B. Private Contributions	-	c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	974,013	2. Notes:	
D. Receipts from Federal Government (from page 2)	6,311,934	a. Interest	
E. Total receipts (A.7 + B + C + D)	14,736,589	b. Redemption	
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	14,736,589

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				-
1. Bonds (Refunding Portion)				
B. Notes (Total)				-

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	14,736,589	14,736,589	-	-

Notes and Comments:

**CITY OF WHEAT RIDGE
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2021**

LOCAL HIGHWAY FINANCE REPORT		City or County: WHEAT RIDGE	
		YEAR ENDING : December 2021	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,131,206	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	190,206
1. Sales Taxes	5,007,644	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	249,542
5. Specific Ownership &/or Other		g. Other Misc. Receipts	15,756
6. Total (1. through 5.)	5,007,644	h. Other	856,288
c. Total (a. + b.)	6,138,850	i. Total (a. through h.)	1,311,792
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	974,013	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	6,311,934
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.)	6,311,934
4. Total (1. + 2. + 3.f)	974,013	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	6,023,530		6,023,530
b. Engineering Costs	657,390		657,390
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation	1,700,001		1,700,001
(5). Total Construction (1) + (2) + (3) + (4)	1,700,001	0	1,700,001
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	8,380,921	0	8,380,921
			(Carry forward to page 1)
Notes and Comments:			

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 (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2022.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

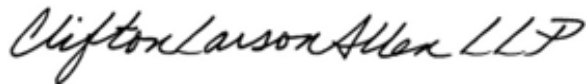
Honorable Mayor and Members of City Council
City of Wheat Ridge, Colorado

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
August 31, 2022



**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

Opinion on Each Major Federal Program

We have audited the City of Wheat Ridge, Colorado's (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

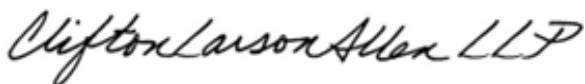
Report on Internal Control Over Compliance

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

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

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

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

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
August 31, 2022

**CITY OF WHEAT RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
Executive Office of the President			
High Intensity Drug Trafficking Areas Program	95.001	N/A	\$ 13,938
Total Executive Office of the President Programs			<u>13,938</u>
Department of Justice			
<i>Passed Through the Colorado Division of Criminal Justice</i>			
Bullet Proof Vest	16.607	2020BUBX20023463	8,935
Total Department of Justice Programs			<u>8,935</u>
Department of Agriculture			
<i>Passed Through Jefferson County</i>			
Urban Agriculture Conservation Grant	10.902	N/A	2,417
Urban Agriculture Conservation Grant	10.924	N/A	4,834
Urban Agriculture Conservation Grant	10.912	N/A	4,834
Total Department of Agriculture			<u>12,085</u>
Department of Treasury			
<i>Passed Through Colorado Department of Local Affairs</i>			
COVID-19 State and Local Fiscal Recovery Funds	21.027	N/A	3,936,640
Total Department of Treasury			<u>3,936,640</u>
Department of Transportation			
<i>Passed Through the Colorado Department of Transportation</i>			
Traffic Safety Campaign	20.600	411031625	575
Highway Planning and Construction	20.205	16-HA1-ZH-00035	6,110,410
Total Department of Transportation			<u>6,110,985</u>
Total Expenditures of Federal Awards			<u><u>\$ 10,082,583</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, 2021**

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 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 3 SUBRECIPIENTS

The City did not have subrecipients of federal awards for the year ended December 31, 2021.

**CITY OF WHEAT RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors' Results

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

Assistance Listing Number(s)

21.027

Name of Federal Program or Cluster

COVID-19 Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**CITY OF WHEAT RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

