



2019  
ANNUAL FINANCIAL REPORT



1969



2019

**CITY OF WHEAT RIDGE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

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## **INTRODUCTORY SECTION**

**CITY OF WHEAT RIDGE  
CITY OFFICIALS  
DECEMBER 31, 2019**

**MAYOR**

Bud Starker

**CITY COUNCIL**

**District 1**

Judy Hutchinson  
Janeece Hoppe

**District 2**

Zachary Urban  
Rachel Hultin

**District 3**

Korey Stites  
Amanda Weaver

**District 4**

Leah Dozeman  
Valerie Nosler Beck

**CITY CLERK**

Stephen Kirkpatrick

**MUNICIPAL JUDGE**

Christopher Randall

**CITY TREASURER**

Christopher Miller

**CITY ATTORNEY**

Gerald Dahl

**CITY MANAGER**

Patrick Goff

**DIRECTOR OF ADMINISTRATIVE SERVICES**

Allison Scheck

**DIRECTOR OF COMMUNITY DEVELOPMENT**

Kenneth Johnstone

**DIRECTOR OF PARKS & RECREATION**

Karen O'Donnell

**DIRECTOR OF PUBLIC WORKS**

Greg Knudson

**CHIEF OF POLICE**

Christopher Murtha

**FINANCE MANAGER**

Mark Colvin

**HUMAN RESOURCES MANAGER**

Michael Clasen

**PURCHASING AND CONTRACTING AGENT**

Jennifer Nellis

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules on pages 4-13 and 38-41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
July 21 2020

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

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, 2019. 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 2019 by \$90.3 million (net position). Of this amount, \$12.3 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2019, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$38.0 million, a decrease of approximately \$11.6 million compared to the prior year. Approximately \$10.7 million (28%), is available for spending at the City's discretion (unassigned fund balance).
- At the end of the fiscal year 2019, unassigned fund balance for the General Fund was \$10.7 million, or 31% of total General Fund expenditures.
- General Fund actual revenues were \$0.3 million less than final budgeted revenue for the fiscal year 2019 and actual expenditures were \$2.1 million less than final budgeted expenditures.

**Overview of the Financial Statements**

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

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

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

The *statement of activities* presents information showing how the City of Wheat Ridge's net position changed during fiscal year 2019. 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, 2019**

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 \$90.3 million at the close of the 2019 fiscal year.

By far the largest portion of the City of Wheat Ridge's net position (70%) 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 (17%) represents resources that are subject to external restrictions on how they may be used (open space and parks, police investigations, crime prevention activities, government access channel and emergency reserves). The remaining balance of unrestricted net position (\$12.3 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, 2019**

**City of Wheat Ridge Net Position**

	Governmental Activities	
	2019	2018
Current and Other Assets	\$ 45,140,320	\$ 55,295,839
Capital Assets	77,762,531	68,037,158
Total Assets	122,902,851	123,332,997
Long-Term Liabilities	26,445,026	29,304,091
Other Liabilities	4,994,807	4,074,115
Total Liabilities	31,439,833	33,378,206
Deferred Inflows of Resources	1,139,393	1,011,448
Net Position		
Net Investment in Capital Assets	63,074,600	68,972,644
Restricted	5,184,522	3,585,108
Unrestricted	12,310,462	16,385,591
Total Net Position	\$ 80,569,584	\$ 88,943,343

**Changes in Net Position**

**Governmental activities.**

- Current and other assets decreased 18% primarily due to a decrease in cash and investments relating primarily to additional capital outlays and expenditures as part of the Investing 4 the Future Fund.
- Long-term liabilities decreased mostly due to payments of principal and interest on Sales and Use Tax Revenue Bonds Series 2017A.
- Other Liabilities increased relating to a significant overpayment of use tax in 2019 which will be refunded in 2020.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

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

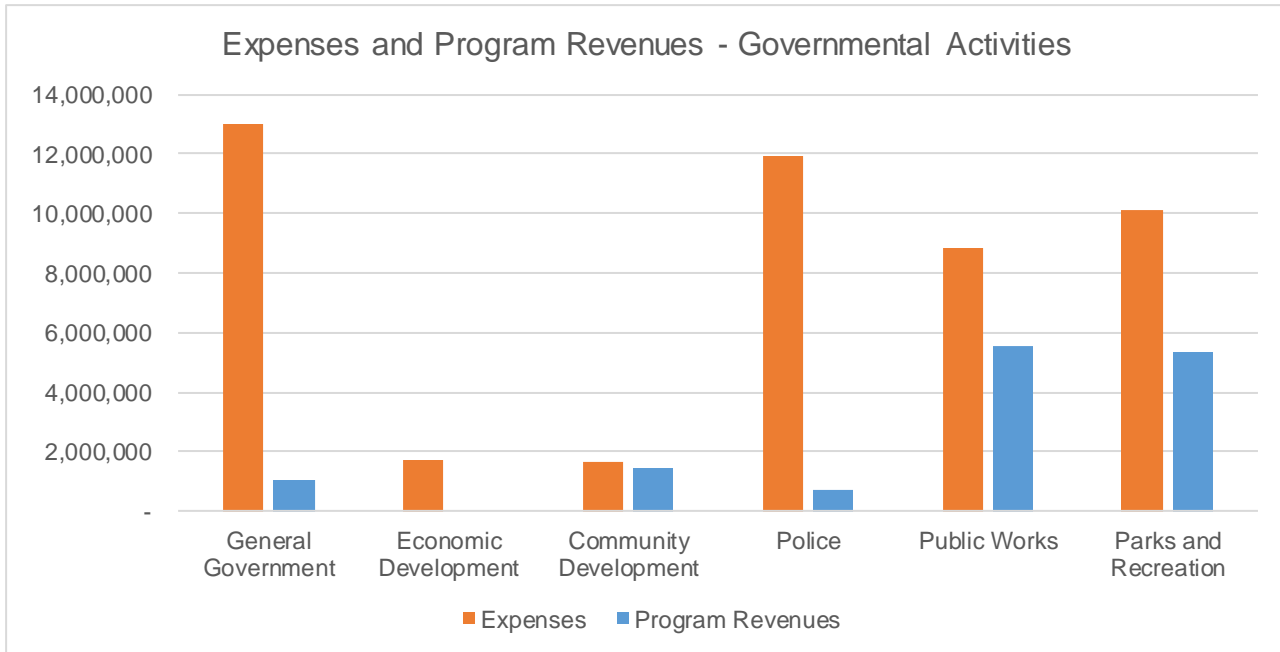
	2019	2018
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 6,541,212	\$ 6,127,397
Operating Grants and Contributions	2,329,594	2,041,780
Capital Grants and Contributions	5,321,376	2,543,745
General Revenues		
Property Taxes	1,005,826	1,005,405
Sales Taxes	24,021,983	22,720,723
Use Taxes	4,751,330	8,033,831
Franchise Taxes	1,570,323	1,602,881
Lodgers Taxes	1,512,718	1,472,486
Other Taxes	691,927	671,902
Investment Income	938,408	929,909
Insurance Proceeds	-	363,474
Gain on Sale of Capital Assets	-	88,064
Miscellaneous	637,917	367,460
Total Revenues	49,322,614	47,969,057
<b>EXPENSES</b>		
General Government	12,980,705	10,287,683
Economic Development	1,721,000	1,525,566
Community Development	1,645,242	2,143,330
Police	11,908,913	10,838,937
Public Works	8,867,412	8,235,985
Parks and Recreation	10,140,461	7,996,072
Interest on Long-Term Debt	678,599	1,143,660
Total Expenses	47,942,332	42,171,233
<b>CHANGE IN NET POSITION</b>	1,380,282	5,797,824
Net Position - Beginning of Year, as Restated	88,943,343	83,145,519
<b>NET POSITION - END OF YEAR</b>	\$ 90,323,625	\$ 88,943,343

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

- Total revenue growth compared to 2018 is 3% higher. This increase is mostly attributable to an increase in sales tax and capital grants.
- Sales tax revenue increased 6% to 2018 but Use tax is 41% lower in 2019 as 2018 had a significant increase in use tax relating to a one time capital investment project by a company within the City.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

- Capital Grants and Contributions increased 89% relating to grant revenue for the widening of Wadsworth Boulevard.
- Expenses in general are 13.7% higher than 2018 due to expenses related to roof repairs from previous hailstorms and increased repairs and maintenance expenses for Parks and Recreation activities.



**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 2019, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$38.0 million, a decrease of \$11.6 million in comparison with the prior year. Approximately 28% of this total amount (\$10.7 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, 2019**

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 - Fruitdale	\$1,085,000
• Prepaid Items	\$13,892
• Capital Projects – Investing 4 the Future	\$20,410,711
• Open space and parks	\$2,991,737
• Police Investigations Fund	\$37,009
• Crime Prevention Activities Fund	\$492,294
• Government Access Channel	\$273,628
• TABOR-mandated emergency reserves	\$1,390,000

or committed to:

• Municipal Court Fund	\$94,623
• Recreation Center Fund	\$87,334
• Public Art Fund	\$239,608

or assigned to:

• Capital Projects Fund	\$53,477
• Capital Equipment Replacement Fund	\$137,595

The General Fund is the chief operating fund of the City of Wheat Ridge. At the end of fiscal year 2019, unassigned fund balance of the General Fund was \$10.7 million, while total General Fund balance decreased to approximately \$13.4 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 31% of total General Fund expenditures, while total fund balance represents 39% 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 2019 and 2018 include Prospect Park Phases I and II and Anderson Park renovations. At the end of 2019, the Open Space Fund balance was nearly \$1.4 million higher than the prior year due in part to an increase in the one-time developer parkland fee in 2019 compared to 2018 and a steady allocation of Jefferson County sales and use tax disbursed from the Jefferson County Open Space Fund.

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 2018, capital outlays were \$3.6 million higher in 2019 primarily due to the City's share of the Wadsworth widening project and increased street improvements and maintenance.

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

The City of Wheat Ridge has seven non-major funds that are restricted for, committed to, and assigned to a variety of purposes. The combined fund balance is \$1.7 million, which is comparable to 2018.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

**General Fund Budgetary Highlights**

The original budget was amended by City Council for a total of \$1,014,252 in supplemental budget appropriations throughout the 2019 fiscal year. These amendments can be briefly summarized as follows:

Supplemental Budget Appropriations: Organized from largest to smallest expenditure

- \$731,237 allocated for re-encumbrance of 2018 encumbered funds
- \$90,220 allocated for the Anderson building renovation
- \$90,000 allocated for body worn cameras
- \$25,000 allocated for the Wheat Ridge Business District Grant
- \$20,000 allocated for City Attorney Fees
- \$18,000 allocated for Porch Light, a Family Justice Center
- \$12,500 allocated for the Artspace feasibility study
- \$10,440 allocated for the upgrade of security cameras in the police parking lot
- \$8,155 allocated for the Foothills Animal Shelter special assessment
- \$7,200 allocated for 2019 Purchase Order re-encumbrance
- \$1,500 allocated for a grant award for purchases of trees in City Right-of-Way.

During the 2019 fiscal year, unassigned fund balance in the General Fund decreased to \$10.6 million, a decrease of \$3.2 million from the previous year. The decrease is attributable to a decreased use tax and increased transfers to other funds.

The 2019 General Fund budget was adopted without using any of the fund balance to balance the budget. However, the final budget allocated \$3,040,000 of the fund balance to the Capital Projects Fund for capital improvements.

**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, 2019 amounts to \$63 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, construction in progress, land improvements, buildings, vehicles, machinery and equipment, infrastructure, software and solar power capacity. Additional information on capital assets is provided in Note 4 of the financial statements.

Major capital asset events during the 2019 fiscal year totaled \$13.7 million and included the following:

- Construction in Progress in the amount of \$12.5 million
  - Anderson Park
  - Clear Creek Crossing
  - Wadsworth widening project
  - Public improvement projects
- Buildings and Structures in the amount of \$64,390
  - City Hall hot water circulation upgrade
  - Parks and Recreation message board kiosk

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

- Vehicles in the amount of \$584,683
  - One Public Works tandem cab and chassis
  - Three Parks and Recreation Maintenance trucks
  - Two Parks and Recreation Forestry trucks
  - Three Police Patrol utility vehicles
  - Two Police Traffic Enforcement trucks
  - Two Police Animal and Park Code Enforcement trucks
  - One Police Patrol BMW motorcycle upgrade
- Machinery and Equipment in the amount of \$364,226
  - Security cameras for City Hall and other municipal sites
  - Police Department TrueSpeed lasers
  - Recreation center fitness and other equipment
  - One Parks and Recreation Maintenance mower
  - One Parks and Recreation Maintenance ATV
  - Boyds Crossing playground equipment
  - One Public Works sign shop plotter
  - Traffic control cabinets and other traffic control system equipment
  - One Public Works variable message sign and trailer
- Software the amount of \$24,348
  - Parks and Recreation Setpoint IntelliWEB and IntelliVIZ software upgrade

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

**CAPITAL ASSETS**

	2019	2018
Land	\$ 16,131,560	\$ 16,118,553
Artwork	196,795	113,295
Construction in Progress	14,716,237	9,006,564
Land Improvements	18,184,356	12,030,624
Buildings	9,982,732	10,577,808
Vehicles	2,607,715	2,402,971
Machinery and Equipment	2,516,872	2,693,636
Infrastructure	12,737,204	14,358,415
Software	96,880	104,281
Solar Power Capacity	592,180	631,011
Total Capital Assets	\$ 77,762,531	\$ 68,037,158

**Long-term debt.** At the end of the 2019 fiscal year, the City of Wheat Ridge had total long-term debt outstanding of \$26.4 million. Of this amount, \$3.0 million is due within one year. This total debt represents future bond principal payable from the Investing 4 the Future Fund sales and use tax, and compensated absences, claims payable, and lease payments for solar panels, which are expected to be liquidated primarily with revenues of the General Fund. Additional information for long-term debt is provided in Note 5 to the financial statements.

**CITY OF WHEAT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

**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 COVID-19 on governments around the country has been devastating as states and public health departments have issued mandatory shut-downs and "shelter in place" orders since March 2020. As seventy percent (70%) of the City's General Fund revenues are generated from sales and use taxes, the City's 2020 and 2021 budgets will be severely impacted. Initial models showed potential General Fund revenue losses in 2020 could range anywhere between 12% and 32% or \$4.5 million and \$12.0 million therefore the City has postponed several planned capital projects, frozen the hiring of vacant positions and cut discretionary spending in 2020 and 2021. The long term economic effects of the pandemic are uncertain but it is to be expected that planned development opportunities will slow while businesses struggle to survive.

Walmart closed its doors in Wheat Ridge on July 7, 2017, which for the first three quarters of 2019, impacted total City revenues due to the associated loss in sales tax revenue. Four national retail tenants opened in the 4th quarter of 2019 in this location and Uncle Julio's Hacienda Colorado opened in early 2020 in the same shopping center. Prior to the COVID-19 pandemic, these tenants were projected to generate between \$800,000 and \$900,000 in sales tax revenue annually.

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

The Clear Creek Crossing project entitlements and public finance agreement were finalized and approved in 2018 and construction is underway including the access hook ramps, a gas station, credit union and multifamily housing. The developer is finalizing the leasing plan for potential tenants to include retail, residential, a medical campus, hospitality, and entertainment but negotiations have slowed due to the pandemic. The retail component of the project will likely open in 2021-2022; therefore, no new sales tax revenue from this project was included in the 2020 budget. The Longs Peak Metropolitan District (LPMD) will reimburse the City \$507,038 for the environmental assessment expense and other expenses above the voter approved \$10 million the City incurred over the last several years for the I-70 hook ramp project. The reimbursement will occur when the LPMD issues bonds for the Clear Creek Crossing project, likely in 2021 or 2022. This reimbursement revenue has not been factored into the 2020 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, 2019**

Several other commercial redevelopment projects across the City are projected to increase sales tax revenue starting sometime in 2021. The site of the former Gold's Market has a new owner and will receive several improvements designed to attract and retain additional tenants. In 2021 The Ridge at 38, designated as the City's downtown, will see the addition of a new sit-down restaurant and at least one additional microbrewery. Additionally, several existing businesses are planning significant expansions, upgrades and remodels which are projected to drive additional sales tax revenue in 2021.

The adopted 2020 fiscal year budget is \$76.9 million. It includes a \$43.1 million operating budget, a \$15.1 million Investing 4 the Future capital projects budget, a \$18.4 million CIP budget and \$4.0 million for special revenue budgets. Planned cuts due the pandemic total \$5.4 million of which \$2.5 million is General Fund, \$2.0 million is Capital Improvement Program and \$935,000 is Open Space Fund.

**Requests for Information**

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

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WHEAT RIDGE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Urban Renewal</u>
	<u>Activities</u>	<u>Authority</u>
<b>ASSETS</b>		
Cash and Investments	\$ 14,935,322	\$ 2,226,351
Restricted Cash and Investments	20,348,130	1,232,307
Accounts Receivable	4,568,499	152,036
Property Taxes Receivable	1,139,393	1,017,650
Intergovernmental Receivables	3,050,084	-
Loans Receivable	1,085,000	-
Prepaid Items	13,892	-
Property Held for Resale	-	330,299
Capital Assets, Not Being Depreciated	31,044,592	4,999,880
Capital Assets, Net of Depreciation	46,717,939	-
Total Assets	122,902,851	9,958,523
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
Liabilities		
Accounts Payable	3,515,978	397,201
Accrued Liabilities	611,036	-
Retainage Payable	153,662	-
Refundable Deposits	554,035	-
Unearned Revenues	78,810	-
Accrued Interest Payable	81,286	85,609
Noncurrent Liabilities		
Due Within One Year	2,868,046	405,000
Due in More than One Year	23,576,980	7,808,458
Total Liabilities	31,439,833	8,696,268
Deferred Inflows of Resources		
Property Taxes	1,139,393	1,017,650
Total Deferred Inflows	1,139,393	1,017,650
Net Position		
Net Investment in Capital Assets	63,074,600	(142,813)
Restricted for:		
Capital Projects	9,754,041	-
Open Space and Parks	2,991,737	-
Police Investigations	37,009	-
Crime Prevention Activities	492,294	-
Government Access Channel	273,482	-
Emergencies	1,390,000	-
Unrestricted	12,310,462	387,418
Total Net Position	\$ 90,323,625	\$ 244,605

See accompanying Notes to Financial Statements.



**CITY OF WHEAT RIDGE  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	General	Open Space	Capital Projects	Investing 4 the Future	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and Investments	\$ 10,250,005	\$ 2,113,964	\$ 792,625	\$ -	\$ 1,778,728	\$ 14,935,322
Restricted Cash and Investments	-	-	-	20,348,130	-	20,348,130
Accounts Receivable	3,419,913	-	598,172	519,199	31,215	4,568,499
Property Taxes Receivable	1,139,393	-	-	-	-	1,139,393
Intergovernmental Receivables	397,423	259,857	2,369,653	23,151	-	3,050,084
Loans Receivable	1,085,000	-	-	-	-	1,085,000
Prepaid Items	13,892	-	-	-	-	13,892
Due from Other Funds	1,785,098	-	-	-	-	1,785,098
Total Assets	<u>\$ 18,090,724</u>	<u>\$ 2,373,821</u>	<u>\$ 3,760,450</u>	<u>\$ 20,890,480</u>	<u>\$ 1,809,943</u>	<u>\$ 46,925,418</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 2,326,709	\$ -	\$ 673,817	\$ 479,769	\$ 35,683	\$ 3,515,978
Accrued Liabilities	543,155	10,727	-	-	57,154	611,036
Retainage Payable	27,003	-	126,659	-	-	153,662
Refundable Deposits	554,035	-	-	-	-	554,035
Unearned Revenues	78,810	-	-	-	-	78,810
Due to Other Funds	-	-	1,785,098	-	-	1,785,098
Total Liabilities	<u>3,529,712</u>	<u>10,727</u>	<u>2,585,574</u>	<u>479,769</u>	<u>92,837</u>	<u>6,698,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	1,139,393	-	-	-	-	1,139,393
Grants	-	-	1,121,399	-	-	1,121,399
Total Deferred Inflows	<u>1,139,393</u>	<u>-</u>	<u>1,121,399</u>	<u>-</u>	<u>-</u>	<u>2,260,792</u>
<b>FUND BALANCES</b>						
Nonspendable						
Loans Receivable	1,085,000	-	-	-	-	1,085,000
Prepaid Items	13,892	-	-	-	-	13,892
Restricted For:						
Capital Projects	-	-	-	20,410,711	-	20,410,711
Open Space and Parks	-	2,363,094	-	-	628,643	2,991,737
Police Investigations	-	-	-	-	37,009	37,009
Crime Prevention Activities	-	-	-	-	492,294	492,294
Government Access Channel	273,482	-	-	-	-	273,482
Emergencies	1,390,000	-	-	-	-	1,390,000
Committed to:						
Municipal Court	-	-	-	-	94,623	94,623
Recreation Center	-	-	-	-	87,334	87,334
Public Art	-	-	-	-	239,608	239,608
Assigned to:						
Capital Projects	-	-	53,477	-	-	53,477
Equipment Replacement	-	-	-	-	137,595	137,595
Unassigned	10,659,245	-	-	-	-	10,659,245
Total Fund Balances	<u>13,421,619</u>	<u>2,363,094</u>	<u>53,477</u>	<u>20,410,711</u>	<u>1,717,106</u>	<u>37,966,007</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,090,724</u>	<u>\$ 2,373,821</u>	<u>\$ 3,760,450</u>	<u>\$ 20,890,480</u>	<u>\$ 1,809,943</u>	<u>\$ 46,925,418</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, 2019**

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

Total Fund Balances of Governmental Funds	\$ 37,966,007
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in governmental funds.	77,762,531
<p>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.</p>	
Intergovernmental Revenues	1,121,399
<p>Long-term liabilities and related items are not due and payable in the current year, and therefore are not reported in governmental funds.</p>	
Bonds Payable	(22,930,000)
Bond Premium	(1,633,347)
Capital Lease Payable	(624,804)
Accrued Compensated Absences	(1,169,122)
Claims Payable	(87,753)
Accrued Interest Payable	<u>(81,286)</u>
Total Net Position of Governmental Activities	<u>\$ 90,323,625</u>

**CITY OF WHEAT RIDGE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2019**

	General	Open Space	Capital Projects	Investing 4 the Future	Other Governmental Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 28,630,152	\$ -	\$ 302,544	\$ 4,159,427	\$ 461,984	\$ 33,554,107
Licenses and Permits	1,347,748	-	-	-	-	1,347,748
Intergovernmental	2,169,094	1,449,691	2,548,610	-	526,886	6,694,281
Charges for Services	1,567,179	1,054,932	57,193	-	2,168,281	4,847,585
Fines and Forfeitures	321,183	-	-	-	24,696	345,879
Investment Income	305,078	9,437	15,505	570,873	37,515	938,408
Miscellaneous	492,082	-	-	119,450	26,385	637,917
Total Revenues	<u>34,832,516</u>	<u>2,514,060</u>	<u>2,923,852</u>	<u>4,849,750</u>	<u>3,245,747</u>	<u>48,365,925</u>
<b>EXPENDITURES</b>						
Current						
General Government	10,904,518	-	-	1,716,855	8,088	12,629,461
Economic Development	1,719,700	-	-	-	-	1,719,700
Community Development	1,632,911	-	-	-	-	1,632,911
Police	11,169,912	-	-	-	482,565	11,652,477
Public Works	4,638,990	-	118,039	-	-	4,757,029
Parks and Recreation	4,351,956	2,021,696	-	-	2,543,052	8,916,704
Capital Outlay	-	-	6,997,025	8,504,389	153,332	15,654,746
Debt Service						
Principal	41,871	-	-	2,465,000	-	2,506,871
Interest	38,296	-	-	1,033,300	-	1,071,596
Total Expenditures	<u>34,498,154</u>	<u>2,021,696</u>	<u>7,115,064</u>	<u>13,719,544</u>	<u>3,187,037</u>	<u>60,541,495</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	334,362	492,364	(4,191,212)	(8,869,794)	58,710	(12,175,570)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from						
Sale of Capital Assets	19,606	-	-	-	-	19,606
Insurance Proceeds	525,268	-	-	-	-	525,268
Transfers In	-	900,000	3,040,000	-	100,000	4,040,000
Transfers Out	(4,040,000)	-	-	-	-	(4,040,000)
Total Financing Sources (Uses)	<u>(3,495,126)</u>	<u>900,000</u>	<u>3,040,000</u>	<u>-</u>	<u>100,000</u>	<u>544,874</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,160,764)	1,392,364	(1,151,212)	(8,869,794)	158,710	(11,630,696)
Fund Balances - Beginning of Year	<u>16,582,383</u>	<u>970,730</u>	<u>1,204,689</u>	<u>29,280,505</u>	<u>1,558,396</u>	<u>49,596,703</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 13,421,619</u></u>	<u><u>\$ 2,363,094</u></u>	<u><u>\$ 53,477</u></u>	<u><u>\$ 20,410,711</u></u>	<u><u>\$ 1,717,106</u></u>	<u><u>\$ 37,966,007</u></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, 2019**

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

Net Change in Fund Balances of Governmental Funds \$ (11,630,696)

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	13,657,454
Contributed Assets	13,007
Depreciation Expense	(3,908,406)
Net Book Value of Disposal	(36,682)

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	418,414
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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	2,465,000
Capital Lease Payments	42,393

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	8,126
Amortization of Premium	384,871
Compensated Absences	(55,388)
Claims Payable	22,189

Change in Net Position of Governmental Activities	\$ 1,380,282
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**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Reporting Entity**

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

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

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

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

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019**

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

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

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

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

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

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

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

*Interfund Receivables and Payables* - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any balances outstanding between the primary government and the discretely presented component unit are reported on the statement of activities as *due from* and *due to*.

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

*Capital Assets* - Capital assets, which include property, equipment, and infrastructure acquired or constructed since 1980, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. Intangible assets are reported at cost if they are identifiable.

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

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

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

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

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

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

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

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

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

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the fund financial statements, the City Council establishes a fund balance commitment through passage of a resolution. In addition, by resolution the City Council has delegated to the City Manager or his designee the authority to assign fund balances for specific purposes.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

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

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

When expenditures are incurred for a specific purpose for which both restricted and unrestricted fund balances are available, the City's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

**Property Taxes**

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

**Contraband Forfeitures**

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

**NOTE 2 CASH AND INVESTMENTS**

A summary of cash and investments at December 31, 2019, follows:

Petty Cash	\$ 2,950
Cash Deposits	3,560,482
Investments	<u>35,178,678</u>
Total	<u><u>\$ 38,742,110</u></u>

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

Cash and Investments - Primary Government	\$ 14,935,322
Restricted Cash and Investments - Primary Government	20,348,130
Cash and Investments - Component Unit	2,226,351
Restricted Cash and Investments - Component Unit	<u>1,232,307</u>
Total	<u><u>\$ 38,742,110</u></u>

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the City and the Authority had bank deposits with a carrying amount of \$1,678,220 and \$1,882,262, 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, 2019:

Investment Type	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5	Total
Brokered Certificates of Deposit	N/A	\$ 2,756,396	\$ -	\$ 2,756,396
Local Government Investment Pool	AAAm	32,422,282	-	32,422,282
Total		<u>\$ 35,178,678</u>	<u>\$ -</u>	<u>\$ 35,178,678</u>

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

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

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

**Investments (Continued)**

*Concentration of Credit Risk* - Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

*Fair Value of Investments* - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For investments measured at Net Asset Value (NAV), there are no commitments, the redemption frequency is daily, and there is no redemption notice period. The local government investment pool is an investment vehicle established for local government entities in Colorado to pool surplus funds. The pool is similar to money market funds, with each share valued at \$1.00.

As of December 31, 2019, the City held investments in Brokered Certificates of Deposit of \$1,180,000 (Level 2 inputs) and the Authority also held investments in Brokered Certificates of Deposit of \$1,576,396 (Level 2 inputs).

*Local Government Investment Pools* - At December 31, 2019, the City had \$16,391,477 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 Colorado Division of Securities administers and enforces the requirements of creating and operating CSAFE. The external investment pool is measured at amortized cost with each share valued at \$1.00. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSAFE is rated AAAM by Standard and Poor's. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

At December 31, 2019, the City had \$16,030,805 invested in the Colorado Statewide Investment Pool (CSIP), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSIP. The external investment pool is measured at net asset value (NAV) per share with each share valued at \$1.00. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSIP is rated AAAM by Standard and Poor's. Investments of CSIP are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the outstanding balance on the loans was \$1,085,000.

During 2013, the City loaned \$330,299 to the Authority to acquire a property for redevelopment. The loan is non-interest bearing. The loan balance is due upon sale of the redevelopment property. At December 31, 2019, the loan has been paid off.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, is summarized below.

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 16,118,553	\$ 13,007	\$ -	\$ 16,131,560
Artwork	113,295	83,500	-	196,795
Construction in Progress	9,006,564	12,536,307	6,826,634	14,716,237
Total Capital Assets Not Being Depreciated	25,238,412	12,632,814	6,826,634	31,044,592
Capital Assets, Being Depreciated				
Land Improvements	19,249,977	6,773,072	-	26,023,049
Buildings	23,367,761	64,390	-	23,432,151
Vehicles	5,719,136	584,683	272,702	6,031,117
Machinery and Equipment	8,106,351	364,226	83,580	8,386,997
Infrastructure	71,096,763	53,562	-	71,150,325
Software	363,920	24,348	-	388,268
Solar Power Capacity	776,628	-	-	776,628
Total Capital Assets, Being Depreciated	128,680,536	7,864,281	356,282	136,188,535
Less Accumulated Depreciation				
Land Improvements	(7,219,353)	(619,340)	-	(7,838,693)
Buildings	(12,789,953)	(659,466)	-	(13,449,419)
Vehicles	(3,316,165)	(379,939)	(272,702)	(3,423,402)
Machinery and Equipment	(5,412,715)	(504,308)	(46,898)	(5,870,125)
Infrastructure	(56,738,348)	(1,674,773)	-	(58,413,121)
Software	(259,639)	(31,749)	-	(291,388)
Solar Power Capacity	(145,617)	(38,831)	-	(184,448)
Total Accumulated Depreciation	(85,881,790)	(3,908,406)	(319,600)	(89,470,596)
Total Capital Assets, Being Depreciated, Net	42,798,746	3,955,875	36,682	46,717,939
Governmental Activities Capital Assets, Net	<u>\$ 68,037,158</u>	<u>\$ 16,588,689</u>	<u>\$ 6,863,316</u>	<u>\$ 77,762,531</u>

Capital asset activity for the Urban Renewal Authority for the year ended December 31, 2019, is summarized below.

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Governmental Activities				
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ -	\$ 4,999,880	\$ -	\$ 4,999,880
Total Capital Assets	<u>\$ -</u>	<u>\$ 4,999,880</u>	<u>\$ -</u>	<u>\$ 4,999,880</u>

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

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

General Government	\$ 347,963
Community Development	9,941
Police	223,856
Public Works	2,110,959
Parks and Recreation	<u>1,215,687</u>
 Total	 <u><u>\$ 3,908,406</u></u>

**NOTE 5 LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the year ended December 31, 2019.

	Balance 12/31/2018	Additions	Reductions	Balance 12/31/2019	Due Within One Year
<b><u>Governmental Activities</u></b>					
2017 Revenue Bonds	\$ 25,395,000	\$ -	\$ 2,465,000	\$ 22,930,000	\$ 2,565,000
2017 Bond Premium	2,018,218	-	384,871	1,633,347	-
Solar Power					
Capacity Lease	667,197	-	42,393	624,804	44,931
Compensated Absences	1,113,734	1,524,453	1,469,065	1,169,122	170,362
Claims Payable	109,942	59,223	81,412	87,753	87,753
Total	<u>\$ 29,304,091</u>	<u>\$ 1,583,676</u>	<u>\$ 4,442,741</u>	<u>\$ 26,445,026</u>	<u>\$ 2,868,046</u>
<b><u>Urban Renewal Authority</u></b>					
2014 Loans Payable	\$ 1,525,000	\$ -	\$ 285,000	\$ 1,240,000	\$ 295,000
2018 Loans Payable	6,375,000	-	-	6,375,000	-
Pollution Remediation	691,798	-	93,340	598,458	110,000
Total	<u>\$ 8,591,798</u>	<u>\$ -</u>	<u>\$ 378,340</u>	<u>\$ 8,213,458</u>	<u>\$ 405,000</u>

**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.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

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, 2019, revenues of \$4,159,427 were available to pay annual debt service of \$3,505,300. Remaining debt service at December 31, 2019, was as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,565,000	\$ 934,700	\$ 3,499,700
2021	2,665,000	832,100	3,497,100
2022	2,720,000	778,800	3,498,800
2023	2,860,000	642,800	3,502,800
2024	3,000,000	499,800	3,499,800
2025-2027	9,120,000	697,000	9,817,000
Total	<u>\$ 22,930,000</u>	<u>\$ 4,385,200</u>	<u>\$ 27,315,200</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, 2019, capital assets of \$592,180, net of accumulated depreciation, were reported under this lease.

Following is a schedule of the future minimum lease payments at December 31, 2019.

<u>Year Ended December 31,</u>	<u>Total</u>
2020	\$ 80,167
2021	80,167
2022	80,167
2023	80,167
2024	80,167
2025-2029	400,835
2030	<u>33,403</u>
Total Minimum Lease Payments	835,073
Less: Interest Portion	<u>(210,269)</u>
Present Value of Minimum Lease Payments	<u>\$ 624,804</u>

**Compensated Absences**

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

**Urban Renewal Authority Loans**

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

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

**Urban Renewal Authority Loans (Continued)**

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

During the year ended December 31, 2019, revenues of \$1,197,287 were available to pay annual debt service of \$336,290. Future debt service to maturity is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 295,000	\$ 335,622	\$ 630,622
2021	305,000	326,300	631,300
2022	1,109,247	316,662	1,425,909
2023	1,155,227	269,775	1,425,002
2024	867,836	220,899	1,088,735
2025-2028	3,882,690	461,356	4,344,046
Total	<u>\$ 7,615,000</u>	<u>\$ 1,930,614</u>	<u>\$ 9,545,614</u>

**Pollution Remediation**

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

After demolition of the structure, the asphalt paving was stripped during redevelopment of the surrounding properties and source contaminated soil was removed and hauled to an authorized site. Nine monitoring wells were placed throughout the site and quarterly testing has been ongoing. Active site remediation was enacted, first using BOS 100, a material recommended by the Urban Renewal Authorities consultants Terracon, Inc. and CDPHE. The BOS 100 dramatically lowered contamination levels for the first 18-months. Once the BOS 100 stopped reducing the contaminants, a system titled E-Redox was placed throughout the site and has been actively successful at continued remediation of contaminants. The site will be redeveloped as part of a broader community development program. The redevelopment plan includes the construction of a new commercial building with surface parking.

As of December 31, 2019, the estimated liability for the pollution remediation was \$598,458. This estimate is based on the third-party consultant's site assessment and professional experience in this subject.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 6 INTERFUND TRANSACTIONS**

During the year ended December 31, 2019, the General Fund transferred \$3,040,000 to the Capital Projects Fund to finance capital projects and to purchase additional equipment. In addition, the General Fund transferred \$900,000 to the Open Space Fund relating to allocation of sales tax for open space related expenditures and \$100,000 to the Equipment Replacement Fund for capital expenditures. As of December 31, 2019, the Capital Projects Fund reports a payable of \$1,785,098 to the General Fund for reimbursement of costs initially paid by the General Fund.

**NOTE 7 RISK MANAGEMENT**

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

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

Changes in claims payable for the years ended December 31, 2019 and 2018, were as follows:

	2019	2018
Claims Payable, January 1	\$ 109,942	\$ 352,716
Incurred Claims and Changes in Estimated Claims	59,223	(50,675)
Claims Paid	(81,412)	(192,099)
Claims Payable, December 31	\$ 87,753	\$ 109,942

For excess liability, property and workers compensation 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).

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 7 RISK MANAGEMENT (CONTINUED)**

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.

**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 2019 employees contributed 10% of their compensation to the Plan, and the City contributed 10%. 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, 2019, the City and employee contributions to the Plan were \$637,462 each, 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 2019 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, 2019, the City and employee contributions to the Plan were \$60,784 and \$31,487, respectively, equal to the required contributions.

**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 2019 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, 2019, the City and employee contributions to the Plan were \$530,612 and \$353,736, respectively, equal to the required contributions.

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the emergency reserve of \$1,390,000 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, 2019, 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.

**Conduit Debt**

On August 7, 2015, the City participated in the issuance of a \$1,000,000 Development Revenue Note (Seniors' Resource Center, Inc. Project) Series 2015, to provide financing for facility improvements. The Note matures on August 1, 2030, and is payable solely from revenues of the Seniors' Resource Center, Inc. The City is not obligated in any manner for repayment of the Note. Accordingly, the Note is not reported as a liability in the accompanying financial statements. The outstanding balance of the Note at December 31, 2019, was \$794,788.

**Litigation**

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

**CITY OF WHEAT RIDGE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**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, 2019, the City abated 3% of applicable use taxes totaling \$338,268. The rebate was for a manufacturing company that is expanding operations that is expected to produce incremental future use tax revenue generated by the project as well as both the short-term and long-term expected employment opportunities within the City.

The 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, 2019, the Authority rebated property tax increment revenues and sales tax increment revenues for a total of \$421,449. 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 these projects is \$15,458,521.

**NOTE 11 SUBSEQUENT EVENT**

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 operations and financial results, but the effects are currently unknown. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

On January 13, 2020, the Wheat Ridge Urban Renewal Authority entered into a loan agreement with the City of Wheat Ridge for \$500,000 for an economic development project which is expected to be repaid to the City in equal installments over a five year period.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 28,720,110	\$ 28,720,110	\$ 28,630,152	\$ (89,958)
Licenses and Permits	1,637,480	1,637,480	1,347,748	(289,732)
Intergovernmental	1,855,932	1,970,372	2,169,094	198,722
Charges for Services	1,425,274	1,425,274	1,567,179	141,905
Fines and Forfeitures	669,400	669,400	321,183	(348,217)
Investment Income	280,000	280,000	305,078	25,078
Miscellaneous	403,000	403,000	492,082	89,082
<b>Total Revenues</b>	<b>34,991,196</b>	<b>35,105,636</b>	<b>34,832,516</b>	<b>(273,120)</b>
<b>EXPENDITURES</b>				
Current				
General Government	10,756,938	11,329,435	10,904,518	424,917
Economic Development	1,797,985	1,822,985	1,719,700	103,285
Community Development	1,704,057	1,876,147	1,632,911	243,236
Police	11,045,690	11,098,219	11,169,912	(71,693)
Public Works	5,044,677	5,108,175	4,638,990	469,185
Parks and Recreation	5,243,339	5,371,977	4,351,956	1,020,021
Debt Service				
Principal	-	-	41,871	(41,871)
Interest	-	-	38,296	(38,296)
<b>Total Expenditures</b>	<b>35,592,686</b>	<b>36,606,938</b>	<b>34,498,154</b>	<b>2,108,784</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(601,490)</b>	<b>(1,501,302)</b>	<b>334,362</b>	<b>1,835,664</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from				
Sale of Capital Assets	-	-	19,606	19,606
Insurance Proceeds	570,990	570,990	525,268	(45,722)
Transfers Out	(4,040,000)	(4,040,000)	(4,040,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,469,010)</b>	<b>(3,469,010)</b>	<b>(3,495,126)</b>	<b>(26,116)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,070,500)</b>	<b>(4,970,312)</b>	<b>(3,160,764)</b>	<b>1,809,548</b>
Fund Balance - Beginning of Year	13,286,933	16,582,383	16,582,383	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 9,216,433</b>	<b>\$ 11,612,071</b>	<b>\$ 13,421,619</b>	<b>\$ 1,809,548</b>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE – OPEN SPACE FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,449,691	\$ 249,691
Charges for Services	232,247	232,247	1,054,932	822,685
Investment Income	8,000	8,000	9,437	1,437
	<u>1,440,247</u>	<u>1,440,247</u>	<u>2,514,060</u>	<u>1,073,813</u>
<b>EXPENDITURES</b>				
Current				
Parks and Recreation	3,518,980	3,801,004	2,021,696	1,779,308
	<u>3,518,980</u>	<u>3,801,004</u>	<u>2,021,696</u>	<u>1,779,308</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,078,733)	(2,360,757)	492,364	2,853,121
<b>OTHER FINANCING SOURCES</b>				
Transfers In	900,000	900,000	900,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,178,733)	(1,460,757)	1,392,364	2,853,121
Fund Balance - Beginning of Year	1,731,580	970,730	970,730	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 552,847</u>	<u>\$ (490,027)</u>	<u>\$ 2,363,094</u>	<u>\$ 2,853,121</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE – INVESTING 4 THE FUTURE FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,023,292	\$ 4,023,292	\$ 4,159,427	\$ 136,135
Investment Income	400,000	400,000	570,873	170,873
Miscellaneous	1,800,000	1,800,000	119,450	(1,680,550)
<b>Total Revenues</b>	<u>6,223,292</u>	<u>6,223,292</u>	<u>4,849,750</u>	<u>(1,373,542)</u>
<b>EXPENDITURES</b>				
Current				
General Government	18,887,458	22,403,210	1,716,855	20,686,355
Capital Outlay	-	-	8,504,389	(8,504,389)
Debt Service				
Principal	2,465,000	2,465,000	2,465,000	-
Interest	1,033,300	1,033,300	1,033,300	-
<b>Total Expenditures</b>	<u>22,385,758</u>	<u>25,901,510</u>	<u>13,719,544</u>	<u>12,181,966</u>
<b>NET CHANGE IN FUND BALANCE</b>	(16,162,466)	(19,678,218)	(8,869,794)	10,808,424
Fund Balance - Beginning of Year	<u>26,780,258</u>	<u>29,280,505</u>	<u>29,280,505</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 10,617,792</u></u>	<u><u>\$ 9,602,287</u></u>	<u><u>\$ 20,410,711</u></u>	<u><u>\$ 10,808,424</u></u>

**CITY OF WHEAT RIDGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019**

**NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

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

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

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

## **SUPPLEMENTARY INFORMATION**

**CITY OF WHEAT RIDGE  
COMBINING BALANCE SHEET  
NONMAJOR FUNDS  
DECEMBER 31, 2019**

	Police Investigation	Municipal Court	Conservation Trust	Recreation Center Operating	Crime Prevention	Public Art	Equipment Replacement	Totals
<b>ASSETS</b>								
Cash and Investments	\$ 37,009	\$ 96,263	\$ 642,111	\$ 148,506	\$ 477,636	\$ 239,608	\$ 137,595	\$ 1,778,728
Accounts Receivable	-	-	-	-	31,215	-	-	31,215
Total Assets	<u>\$ 37,009</u>	<u>\$ 96,263</u>	<u>\$ 642,111</u>	<u>\$ 148,506</u>	<u>\$ 508,851</u>	<u>\$ 239,608</u>	<u>\$ 137,595</u>	<u>\$ 1,809,943</u>
<b>LIABILITIES</b>								
Accounts Payable	-	1,640	13,468	15,082	5,493	-	-	35,683
Accrued Liabilities	-	-	-	46,090	11,064	-	-	57,154
Total Liabilities	-	1,640	13,468	61,172	16,557	-	-	92,837
<b>FUND BALANCES</b>								
Restricted For:								
Open Space and Parks	-	-	628,643	-	-	-	-	628,643
Police Investigations	37,009	-	-	-	-	-	-	37,009
Crime Prevention Activities	-	-	-	-	492,294	-	-	492,294
Committed To:								
Municipal Court	-	94,623	-	-	-	-	-	94,623
Recreation Center	-	-	-	87,334	-	-	-	87,334
Public Art	-	-	-	-	-	239,608	-	239,608
Assigned to								
Equipment Replacement	-	-	-	-	-	-	137,595	137,595
Total Fund Balance	<u>37,009</u>	<u>94,623</u>	<u>628,643</u>	<u>87,334</u>	<u>492,294</u>	<u>239,608</u>	<u>137,595</u>	<u>1,717,106</u>
Total Liabilities and Fund Balance	<u>\$ 37,009</u>	<u>\$ 96,263</u>	<u>\$ 642,111</u>	<u>\$ 148,506</u>	<u>\$ 508,851</u>	<u>\$ 239,608</u>	<u>\$ 137,595</u>	<u>\$ 1,809,943</u>

**CITY OF WHEAT RIDGE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL**  
**FUNDS**  
**YEAR ENDED DECEMBER 31, 2019**

	Police Investigation	Municipal Court	Conservation Trust	Recreation Center Operating	Crime Prevention	Public Art	Equipment Replacement	Totals
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 453,815	\$ 8,169	\$ -	\$ 461,984
Intergovernmental	-	-	358,886	-	-	168,000	-	526,886
Charges for Services	-	-	-	2,163,212	-	5,069	-	2,168,281
Fines and Forfeitures	-	9,580	-	-	15,116	-	-	24,696
Investment Income	65	594	23,922	5,950	4,610	716	1,658	37,515
Miscellaneous	757	-	-	25,628	-	-	-	26,385
Total Revenues	<u>822</u>	<u>10,174</u>	<u>382,808</u>	<u>2,194,790</u>	<u>473,541</u>	<u>181,954</u>	<u>1,658</u>	<u>3,245,747</u>
<b>EXPENDITURES</b>								
Current								
General Government	-	8,088	-	-	-	-	-	8,088
Police	5,955	-	-	-	476,610	-	-	482,565
Parks and Recreation	-	-	177,410	2,282,142	-	83,500	-	2,543,052
Capital Outlay	-	-	-	-	-	-	153,332	153,332
Total Expenditures	<u>5,955</u>	<u>8,088</u>	<u>177,410</u>	<u>2,282,142</u>	<u>476,610</u>	<u>83,500</u>	<u>153,332</u>	<u>3,187,037</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,133)	2,086	205,398	(87,352)	(3,069)	98,454	(151,674)	58,710
<b>OTHER FINANCING SOURCES</b>								
Transfers In	-	-	-	-	-	-	100,000	100,000
<b>NET CHANGE IN FUND BALANCES</b>	(5,133)	2,086	205,398	(87,352)	(3,069)	98,454	(51,674)	158,710
Fund Balances - Beginning of Year	42,142	92,537	423,245	174,686	495,363	141,154	189,269	1,558,396
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 37,009</u>	<u>\$ 94,623</u>	<u>\$ 628,643</u>	<u>\$ 87,334</u>	<u>\$ 492,294</u>	<u>\$ 239,608</u>	<u>\$ 137,595</u>	<u>\$ 1,717,106</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
POLICE INVESTIGATION FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$ 45	\$ 45	\$ 65	\$ 20
Miscellaneous	-	-	757	757
	<u>45</u>	<u>45</u>	<u>822</u>	<u>777</u>
Total Revenues	<u>45</u>	<u>45</u>	<u>822</u>	<u>777</u>
<b>EXPENDITURES</b>				
Current				
Police	<u>15,500</u>	<u>40,300</u>	<u>5,955</u>	<u>34,345</u>
<b>NET CHANGE IN FUND BALANCE</b>	(15,455)	(40,255)	(5,133)	35,122
Fund Balance - Beginning of Year	<u>40,995</u>	<u>42,142</u>	<u>42,142</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 25,540</u>	<u>\$ 1,887</u>	<u>\$ 37,009</u>	<u>\$ 35,122</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL COURT FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Fines and Forfeitures	\$ 27,500	\$ 9,580	\$ (17,920)
Investment Income	750	594	(156)
	<u>28,250</u>	<u>10,174</u>	<u>(18,076)</u>
<b>EXPENDITURES</b>			
Current			
General Government	<u>39,000</u>	<u>8,088</u>	<u>30,912</u>
<b>NET CHANGE IN FUND BALANCE</b>	(10,750)	2,086	12,836
Fund Balance - Beginning of Year	<u>91,366</u>	<u>92,537</u>	<u>1,171</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 80,616</u></u>	<u><u>\$ 94,623</u></u>	<u><u>\$ 14,007</u></u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
CONSERVATION TRUST FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 320,000	\$ 358,886	\$ 38,886
Investment Income	4,000	23,922	19,922
	<u>324,000</u>	<u>382,808</u>	<u>58,808</u>
<b>EXPENDITURES</b>			
Current			
Parks and Recreation	303,700	177,410	126,290
<b>NET CHANGE IN FUND BALANCE</b>	20,300	205,398	185,098
Fund Balance - Beginning of Year	46,726	423,245	376,519
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 67,026</u>	<u>\$ 628,643</u>	<u>\$ 561,617</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
RECREATION CENTER OPERATING FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 2,190,392	\$ 2,163,212	\$ (27,180)
Investment Income	8,000	5,950	(2,050)
Miscellaneous	25,000	25,628	628
	<u>2,223,392</u>	<u>2,194,790</u>	<u>(28,602)</u>
<b>EXPENDITURES</b>			
Current			
Parks and Recreation	2,489,411	2,282,142	207,269
<b>NET CHANGE IN FUND BALANCE</b>	(266,019)	(87,352)	178,667
Fund Balance - Beginning of Year	278,165	174,686	(103,479)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 12,146</u>	<u>\$ 87,334</u>	<u>\$ 75,188</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
CRIME PREVENTION FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Lodgers Taxes	\$ 456,000	\$ 453,815	\$ (2,185)
Fines and Forfeitures	25,000	15,116	(9,884)
Investment Income	7,000	4,610	(2,390)
	<u>488,000</u>	<u>473,541</u>	<u>(14,459)</u>
<b>EXPENDITURES</b>			
Current			
Police	<u>596,121</u>	<u>476,610</u>	<u>119,511</u>
<b>NET CHANGE IN FUND BALANCE</b>	(108,121)	(3,069)	105,052
Fund Balance - Beginning of Year	<u>523,676</u>	<u>495,363</u>	<u>(28,313)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 415,555</u>	<u>\$ 492,294</u>	<u>\$ 76,739</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC ART FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Use Taxes	\$ 9,000	\$ 9,000	\$ 8,169	\$ (831)
Intergovernmental	-	-	168,000	168,000
Charges for Services	172,430	172,430	5,069	(167,361)
Investment Income	1,000	1,000	716	(284)
	<u>182,430</u>	<u>182,430</u>	<u>181,954</u>	<u>(476)</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current				
Parks and Recreation	<u>65,000</u>	<u>83,500</u>	<u>83,500</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	117,430	98,930	98,454	(476)
Fund Balance - Beginning of Year	<u>105,578</u>	<u>141,154</u>	<u>141,154</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 223,008</u>	<u>\$ 240,084</u>	<u>\$ 239,608</u>	<u>\$ (476)</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
EQUIPMENT REPLACEMENT FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Investment Income	\$ 3,300	\$ 3,300	\$ 1,658	\$ (1,642)
<b>EXPENDITURES</b>				
Capital Outlay	163,127	220,412	153,332	67,080
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(159,827)	(217,112)	(151,674)	65,438
<b>OTHER FINANCIAL SOURCES</b>				
Transfers In	100,000	100,000	100,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(59,827)	(117,112)	(51,674)	65,438
Fund Balance - Beginning of Year	130,718	189,269	189,269	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 70,891</u>	<u>\$ 72,157</u>	<u>\$ 137,595</u>	<u>\$ 65,438</u>

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Lodgers Taxes	\$ 300,000	\$ 300,000	\$ 302,544	\$ 2,544
Intergovernmental	7,029,000	7,029,000	2,548,610	(4,480,390)
Charges for Services	12,000	12,000	57,193	45,193
Investment Income	12,000	12,000	15,505	3,505
Miscellaneous	175,000	175,000	-	(175,000)
Total Revenues	<u>7,528,000</u>	<u>7,528,000</u>	<u>2,923,852</u>	<u>(4,604,148)</u>
<b>EXPENDITURES</b>				
Public Works	-	-	118,039	(118,039)
Capital Outlay	10,552,000	9,804,355	6,997,025	2,807,330
Total Expenditures	<u>10,552,000</u>	<u>9,804,355</u>	<u>7,115,064</u>	<u>2,689,291</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,024,000)	(2,276,355)	(4,191,212)	(1,914,857)
<b>OTHER FINANCIAL SOURCES</b>				
Transfers In	3,040,000	3,040,000	3,040,000	-
<b>NET CHANGE IN FUND BALANCE</b>	16,000	763,645	(1,151,212)	(1,914,857)
Fund Balance - Beginning of Year	10,792	1,204,689	1,204,689	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 26,792</u>	<u>\$ 1,968,334</u>	<u>\$ 53,477</u>	<u>\$ (1,914,857)</u>

**CITY OF WHEAT RIDGE  
BALANCE SHEET  
COMPONENT UNIT – URBAN RENEWAL AUTHORITY  
DECEMBER 31, 2019**

**ASSETS**

Cash and Investments	\$ 2,226,351
Restricted Cash and Investments	1,232,307
Accounts Receivable	152,036
Property Taxes Receivable	1,017,650
Property Held for Resale	<u>330,299</u>
Total Assets	<u><u>\$ 4,958,643</u></u>

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

Liabilities	
Accounts Payable	<u>\$ 397,201</u>
Deferred Inflows of Resources	
Property Taxes	<u>1,017,650</u>
Fund Balance	
Nonspendable Property Held for Resale	330,299
Restricted for Debt Service	1,232,307
Unrestricted, Unassigned	<u>1,981,186</u>
Total Fund Balance	<u>3,543,792</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 4,958,643</u></u>

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

Total Fund Balance of Component Unit	\$ 3,543,792
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in governmental funds.	4,999,880
Long-term liabilities are not due and payable in the current year, and therefore, are not reported in governmental funds.	
Notes Payable	(8,213,458)
Accrued Interest	<u>(85,609)</u>
Total Net Position of Component Unit	<u><u>\$ 244,605</u></u>

**CITY OF WHEAT RIDGE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
COMPONENT UNIT – URBAN RENEWAL AUTHORITY  
YEAR ENDED DECEMBER 31, 2019**

**REVENUES**

Property Tax Increment	\$ 470,702
Sales Tax Increment	726,585
Intergovernmental	300,000
Investment Income	74,832
	1,572,119
Total Revenues	1,572,119

**EXPENDITURES**

Current	
Community Development	127,720
Capital Outlay	5,723,249
Debt Service	
Principal	285,000
Interest	305,066
	6,441,035
Total Expenditures	6,441,035

**NET CHANGE IN FUND BALANCE**

(4,868,916)

Fund Balance - Beginning of year

8,412,708

**FUND BALANCE - END OF YEAR**

\$ 3,543,792

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

Net Change in Fund Balance of Component Unit	\$ (4,868,916)
--	----------------

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.

4,999,880

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.

285,000

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds. This amount represents changes in accrued interest payable and changes in the pollution remediation liability.

72,590

Change in Net Position of Component Unit

\$ 488,554

**CITY OF WHEAT RIDGE  
BUDGETARY COMPARISON SCHEDULE  
WHEAT RIDGE URBAN RENEWAL AUTHORITY  
YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property Tax Increment	\$ 443,675	\$ 458,806	\$ 470,702	\$ 11,896
Sales Tax Increment	612,595	612,595	726,585	113,990
Intergovernmental	300,000	300,000	300,000	-
Investment Income	800	35,000	74,832	39,832
	<u>1,357,070</u>	<u>1,406,401</u>	<u>1,572,119</u>	<u>165,718</u>
<b>EXPENDITURES</b>				
Current				
Community Development	127,600	229,402	127,720	101,682
Capital Outlay	820,000	5,880,000	5,723,249	156,751
Debt Service				
Principal	285,000	285,000	285,000	-
Interest	375,775	375,775	305,066	70,709
	<u>1,608,375</u>	<u>6,770,177</u>	<u>6,441,035</u>	<u>329,142</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(251,305)	(5,363,776)	(4,868,916)	494,860
<b>OTHER FINANCIAL SOURCES</b>				
Proceeds from Sale of Property	355,219	355,219	-	(355,219)
	<u>355,219</u>	<u>355,219</u>	<u>-</u>	<u>(355,219)</u>
<b>NET CHANGE IN FUND BALANCE</b>	103,914	(5,008,557)	(4,868,916)	139,641
Fund Balance - Beginning of Year	969,384	8,412,708	8,412,708	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,073,298</u>	<u>\$ 3,404,151</u>	<u>\$ 3,543,792</u>	<u>\$ 139,641</u>

## **STATE COMPLIANCE**

**CITY OF WHEAT RIDGE  
LOCAL HIGHWAY FINANCE REPORT  
YEAR ENDED DECEMBER 31, 2019**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: WHEAT RIDGE			
		YEAR ENDING : December 2019			
This Information From The Records Of The City of Wheat Ridge:		Prepared By: Phone:	Mark Colvin, FinanceManager 303-235-2817		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,674,794		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,324,363		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	72,531		
2. General fund appropriations		b. Snow and ice removal	42,866		
3. Other local imposts (from page 2)	8,375,379	c. Other			
4. Miscellaneous local receipts (from page 2)	482,124	d. Total (a. through c.)	115,397		
5. Transfers from toll facilities		4. General administration & miscellaneous	870,242		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,616,775		
a. Bonds - Original Issues		6. Total (1 through 5)	11,601,571		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)		a. Interest			
7. Total (1 through 6)	8,857,503	b. Redemption			
<b>B. Private Contributions</b>	11,809	c. Total (a. + b.)	-		
<b>C. Receipts from State government</b> (from page 2)	1,271,934	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	1,460,325	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	11,601,571	b. Redemption			
		c. Total (a. + b.)	-		
		3. Total (1.c + 2.c)	-		
(Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>				-	
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>				-	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	11,601,571	11,601,571	-	-
<b>Notes and Comments:</b>					

**CITY OF WHEAT RIDGE  
LOCAL HIGHWAY FINANCE REPORT  
YEAR ENDED DECEMBER 31, 2019**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: WHEAT RIDGE	
		YEAR ENDING : December 2019	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	995,709	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	198,417
1. Sales Taxes	7,379,670	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	269,772
5. Specific Ownership &/or Other		g. Other Misc. Receipts	13,935
6. Total (1. through 5.)	7,379,670	h. Other	
c. Total (a. + b.)	8,375,379	i. Total (a. through h.)	482,124
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	1,271,934	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	1,460,325
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.)	1,460,325
4. Total (1. + 2. + 3.f)	1,271,934	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs	2,213,320		2,213,320
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation	461,474		461,474
(5). Total Construction (1) + (2) + (3) + (4)	461,474	0	461,474
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	2,674,794	0	2,674,794
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

FORM FHWA-536 (Rev.1-05)

**FEDERAL COMPLIANCE – SINGLE AUDIT**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 21, 2020.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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**

Broomfield, Colorado  
July 21, 2020



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

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

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

We have audited the City of Wheat Ridge, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

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

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

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

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

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

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

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

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
July 21, 2020

**CITY OF WHEAT RIDGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2019**

<b>Federal Grantor/Pass through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>Executive Office of the President</b>			
High Intensity Drug Trafficking Areas Program	95.001	N/A	<u>\$ 35,290</u>
Total Executive Office of the President Programs			35,290
<b>Department of Justice</b>			
<i>Passed Through the Colorado Division of Criminal Justice</i>			
Organized Crime Drug Enforcement Task Forces	16.738	N/A	15,809
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	10,440
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	10,178
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	10,095
<i>Subtotal for CFDA 16.738</i>			<u>46,522</u>
Body Worn Camera	16.835	2017-BC-BX-0079	89,802
Bullet Proof Vest	16.607	N/A	2,646
Total Department of Justice Programs			<u>138,970</u>
<b>Department of Interior</b>			
<i>Passed Through Colorado Parks and Wildlife</i>			
Outdoor Recreation Acquisition, Development, and Planning	15.916	18-TRLG-107190	84,512
Total Department of Interior			<u>84,512</u>
<b>Department of Transportation</b>			
<i>Passed Through the Colorado Department of Transportation</i>			
Highway Planning and Construction	20.205	16-HA1-ZH-00035	1,879,707
Total Department of Transportation			<u>1,879,707</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,138,479</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, 2019**

**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.

**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, 2019.

**CITY OF WHEAT RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2019**

**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**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
20.205	Highway Planning and Construction

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

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

**CITY OF WHEAT RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2019**

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**Section II – Financial Statement Findings**

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

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

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