

2023

FINANCIAL STATEMENTS



CITY OF WHEAT RIDGE
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023

**CITY OF WHEAT RIDGE
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

INTRODUCTORY SECTION

CITY OFFICIALS	I
-----------------------	----------

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
-------------------------------------	----------

MANAGEMENT'S DISCUSSION AND ANALYSIS	5
---	----------

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	16
----------------------------------	-----------

STATEMENT OF ACTIVITIES	17
--------------------------------	-----------

BALANCE SHEET – GOVERNMENTAL FUNDS	18
---	-----------

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	19
---	-----------

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	20
---	-----------

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	21
---	-----------

NOTES TO FINANCIAL STATEMENTS	22
--------------------------------------	-----------

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	42
---	-----------

BUDGETARY COMPARISON SCHEDULE – OPEN SPACE FUND	43
--	-----------

BUDGETARY COMPARISON SCHEDULE – INVESTING 4 THE FUTURE FUND	44
--	-----------

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	45
--	-----------

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET – NONMAJOR FUNDS	47
---	-----------

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR FUNDS	48
---	-----------

**CITY OF WHEAT RIDGE
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

BUDGETARY COMPARISON SCHEDULE – POLICE INVESTIGATION FUND	49
BUDGETARY COMPARISON SCHEDULE – MUNICIPAL COURT FUND	50
BUDGETARY COMPARISON SCHEDULE – CONSERVATION TRUST FUND	51
BUDGETARY COMPARISON SCHEDULE – CRIME PREVENTION FUND	52
BUDGETARY COMPARISON SCHEDULE – PUBLIC ART FUND	53
BUDGETARY COMPARISON SCHEDULE – EQUIPMENT REPLACEMENT FUND	54
BUDGETARY COMPARISON SCHEDULE – WHEAT RIDGE HOUSING FUND	55
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND	56
BUDGETARY COMPARISON SCHEDULE – URA PROJECTS FUND	57
BALANCE SHEET – WHEAT RIDGE URBAN RENEWAL AUTHORITY	58
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – WHEAT RIDGE URBAN RENEWAL AUTHORITY	59
BUDGETARY COMPARISON SCHEDULE – WHEAT RIDGE URBAN RENEWAL AUTHORITY	60
STATE COMPLIANCE	
LOCAL HIGHWAY FINANCE REPORT	62
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 <i>GOVERNMENT AUDITING STANDARDS</i>	65
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	67
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	70
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	71
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	72

INTRODUCTORY SECTION

**CITY OF WHEAT RIDGE
CITY OFFICIALS
DECEMBER 31, 2023**

MAYOR

Bud Starker

CITY COUNCIL

District 1

Jenny Snell
Janeece Hoppe

District 2

Rachel Hultin
Scott Ohm

District 3

Korey Stites
Amanda Weaver

District 4

Leah Dozeman
Dan Larson

CITY CLERK

Stephen Kirkpatrick

MUNICIPAL JUDGE

Christopher Randall

CITY TREASURER

Christopher Miller

CITY ATTORNEY

Gerald Dahl

CITY MANAGER

Patrick Goff

DEPUTY CITY MANAGER

Allison Scheck

DIRECTOR OF COMMUNITY DEVELOPMENT

Lauren Mikulak

DIRECTOR OF PARKS & RECREATION

Karen O'Donnell

DIRECTOR OF PUBLIC WORKS

Maria D'Andrea

CHIEF OF POLICE

Christopher Murtha

FINANCE MANAGER

Mark Colvin

HUMAN RESOURCES MANAGER

Michael Clasen

PROCUREMENT MANAGER

Whitney Mugford-Smith

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, the beginning net position of the Governmental Activities was restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

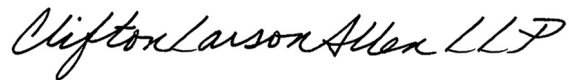
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
July 8, 2024

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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, 2023. 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 2023 by \$182.9 million (net position). Of this amount, \$39.3 million (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.
- At the close of fiscal year 2023, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$50.4 million, a decrease of approximately \$6.3 million compared to the prior year. Approximately \$12.4 million (25%), is available for spending at the City's discretion (unassigned fund balance).
- At the end of the fiscal year 2023, unassigned fund balance for the General Fund was \$12.4 million, or 27% of total General Fund expenditures.
- General Fund actual revenues were \$0.6 million more than final budgeted revenue for the fiscal year 2023 and actual expenditures were \$2.7 million less than final budgeted expenditures.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements report information on all activities of the City and its component unit (Wheat Ridge Urban Renewal Authority).

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

The *statement of activities* presents information showing how the City of Wheat Ridge's net position changed during fiscal year 2023. 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, 2023**

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 \$182.9 million at the close of the 2023 fiscal year.

The largest portion of the City of Wheat Ridge's net position (68%) reflects its investment in capital assets (e.g., land, infrastructure, 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 (11%) represents resources that are subject to external restrictions on how they may be used (capital projects, open space and parks, police investigations, crime prevention activities, government access channel and emergency reserves). The remaining balance of unrestricted net position (\$39.3 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, 2023**

City of Wheat Ridge Net Position

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 65,714,147	\$ 69,521,095
Capital Assets	144,320,934	120,583,437
Total Assets	210,035,081	190,104,532
Other Liabilities	9,786,585	11,523,759
Long-Term Liabilities	15,618,184	17,550,991
Total Liabilities	25,404,769	29,074,750
Deferred Inflows of Resources	1,704,558	1,272,796
Net Position		
Net Investment in Capital Assets	123,900,294	100,602,828
Restricted	19,774,297	20,289,156
Unrestricted	39,251,163	38,865,002
Total Net Position	\$ 182,925,754	\$ 159,756,986

Changes in Net Position

Governmental activities

- Current and other assets decreased 5% in 2023 primarily due to a decrease in cash corresponding to a \$4.4 million payment of a use tax rebate to a private-sector property developer. Investment balances have increased in 2023 compared to 2022 due to high interest rates and continued strong earnings.
- Capital assets increased by 20% due primarily to continuing investment in the Wadsworth Improvement and Ward Road Transportation-oriented Development (TOD) projects.
- Other Liabilities decreased by 15% relating primarily to a \$4.4 million payment of a use tax rebate to a private-sector property developer.
- Long-term liabilities decreased mostly due to payments of principal and interest on Sales and Use Tax Revenue Bonds Series 2017A.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

City of Wheat Ridge Changes in Net Position

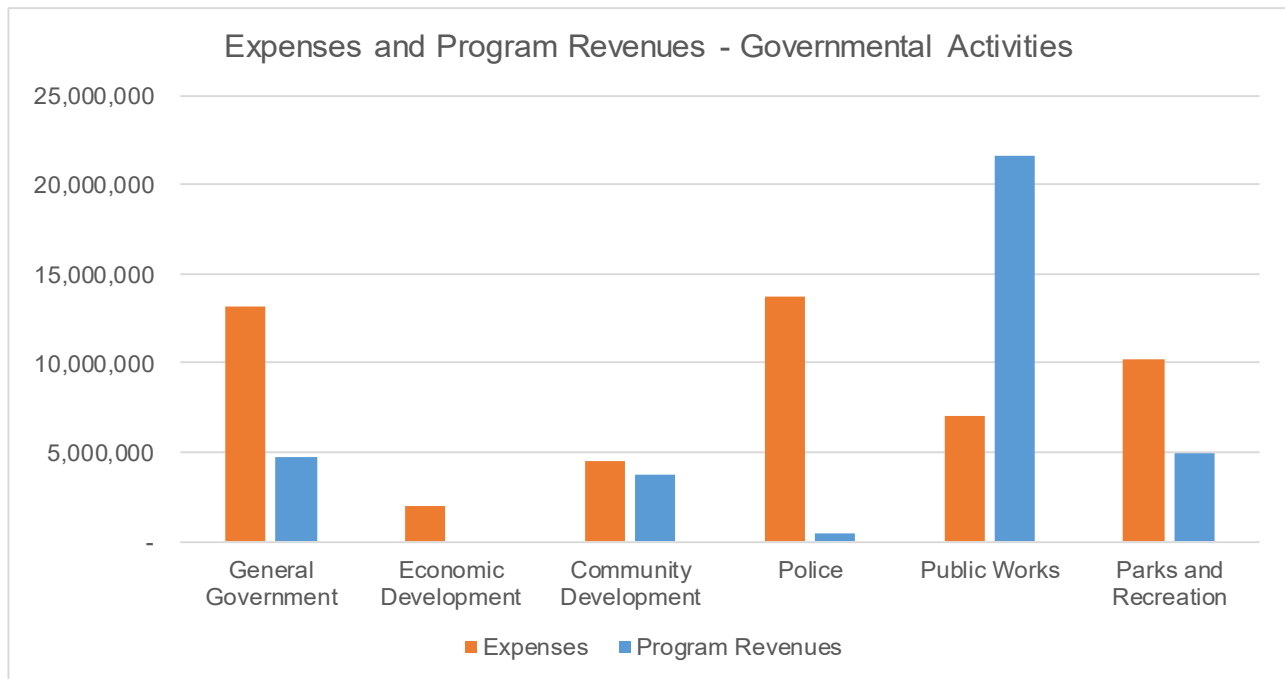
	2023	2022
REVENUES		
Program Revenues		
Charges for Services	\$ 5,983,905	\$ 7,990,599
Operating Grants and Contributions	2,145,393	6,070,245
Capital Grants and Contributions	19,836,854	21,505,232
General Revenues		
Property Taxes	1,248,008	1,271,928
Sales Taxes	29,499,885	29,627,365
Use Taxes	5,814,604	10,000,998
Franchise Taxes	2,003,753	2,008,428
Lodgers Taxes	2,182,657	2,094,008
Other Taxes	998,907	1,097,844
Investment Income	2,142,676	733,078
Miscellaneous	4,499,700	1,282,053
Total Revenues	76,356,342	83,681,778
EXPENSES		
General Government	16,229,869	13,219,233
Economic Development	1,457,325	2,036,773
Community Development	3,399,500	4,466,627
Police	14,901,981	13,682,469
Public Works	9,548,837	7,021,728
Parks and Recreation	8,830,828	10,251,082
Interest on Long-Term Debt	475,715	479,409
Total Expenses	54,844,055	51,157,321
CHANGE IN NET POSITION	21,512,287	32,524,457
Net Position - Beginning of Year, as Previously Reported	159,756,986	127,232,529
Restatement - Grant Revenues	1,656,481	-
Net Position - Beginning of Year, as Restated	161,413,467	127,232,529
NET POSITION - END OF YEAR	\$ 182,925,754	\$ 159,756,986

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

- With the exception of Lodgers Taxes, all other taxes in the aggregate decreased 10% compared to 2022. The decrease is attributable to fewer private-sector development permitting activity in 2023 compared to 2022 and therefore less use tax and related fees.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

- Charges for Services decreased 25% compared to 2022 due to a decrease in permitting and developer fees associated with private-sector development projects.
- Operating Grants and Contributions decreased 65% because the City received its final federal American Rescue Plan Act distribution of nearly \$4 million in 2022.
- Capital Grants and Contributions increased 3% relating to the timing of receipts of grant revenue for the Wadsworth improvement project compared to 2022.
- Overall expenses increased 7% in 2023 compared to 2022, due mostly to city-wide personnel cost and benefit increases, facility maintenance projects, and capital outlays not qualifying for capitalization.



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 2023, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$50.4 million, a decrease of \$6.3 million in comparison with the prior year. Approximately 25% of this total amount (\$12.4 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, 2023**

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

• Developer Loan Receivable	\$1,085,000
• Prepaid Items	\$102,574
• Capital Projects – Investing 4 the Future	\$8,734,101
• Open space and parks	\$8,088,772
• Police Investigations Fund	\$8,989
• Crime Prevention Activities Fund	\$733,676
• Government Access Channel	\$236,061
• TABOR-mandated emergency reserves	\$1,973,000

or committed to:

• Municipal Court Fund	\$67,426
• Public Art Fund	\$473,928
• Wheat Ridge Housing Fund	\$466,672

or assigned to:

• Subsequent Year's Budget	\$5,403,472
• Capital Projects Fund	\$9,894,977
• Capital Equipment Replacement Fund	\$749,393

The General Fund is the chief operating fund of the City of Wheat Ridge. At the end of fiscal year 2023, unassigned fund balance of the General Fund was \$12.4 million, while total General Fund balance decreased to approximately \$21.2 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 27% of total General Fund expenditures, while total fund balance represents 47% 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 2023 include the near completion of Prospect Park Phase 2, Anderson Park playground improvements, design work on The Green – Ridge at 38th project and maintenance of the trail systems and parks. At the end of 2023, the Open Space Fund balance was \$3.2 million higher than the prior year due to a transfer of funds of \$2.2 million from the General Fund and decreased expenditures in 2023 compared to 2022.

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 2022, capital outlays were \$2.2 million less primarily due to a slowdown in construction activity on the Wadsworth improvement project due to a combination of supply-chain issues and CDOT materials certification requirements. Capital outlays are also down from 2022 because spending on preventative maintenance of streets was greater in 2022 than in 2023. Despite a decrease in expenditures, fund balance of the Capital Projects Fund decreased by \$6.9 million due to fewer requests for reimbursement from CDOT compared to 2022 and a smaller transfer from the General Fund than in 2022.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The Urban Renewal Authority issued \$42.1 million of property tax increment revenue bonds in November 2021. The City created the "URA Projects" fund to facilitate the undertaking of a number of specific capital projects in the I-70/Kipling Corridors Urban Renewal Plan area. In 2022, this fund was considered a non-major fund. In 2023, with the launching of several key projects, such as Ward TOD /52nd Avenue, the Youngfield Bridge and the Recreation Center roof replacement, the URA Project fund became a major fund with nearly \$10 million in spending, mostly capital outlay. A significant amount of funding for these projects comes from bond proceeds managed by the Urban Renewal Authority. Other funding comes from reimbursements to the City pursuant to several state and local intergovernmental agreements.

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 now only reflect annual debt service payments on the 2017 revenue bonds.

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 \$3.1 million, which is a decrease of \$4.2 million compared to 2022. The decrease is related to the transfer of the URA Projects Fund from non-major to major, as discussed above, offset by a \$0.5 million increase in the Equipment Replacement fund and \$0.5 million resulting from the creation of the Wheat Ridge Housing Fund.

General Fund Budgetary Highlights

The original budget was amended by City Council for a total of \$709,754 in supplemental budget appropriations throughout the 2023 fiscal year. These amendments can be briefly summarized as follows:

Supplemental Budget Appropriations: Organized from largest to smallest expenditure

- \$125,379 allocated to fund professional services regarding residential waste management practices
- \$91,162 allocated to fund fleet purchases and replacements
- \$90,000 allocated to fund Anderson Building boiler replacement
- \$84,382 allocated for Fentanyl Accountability and Prevention Grant acceptance
- \$76,398 allocated to fund a full-time housing program administrator
- \$66,296 allocated to fund right of way maintenance
- \$62,089 allocated to fund a full-time IT project manager
- \$37,587 allocated for Colorado Department of Early Childhood Grant Program acceptance
- \$25,000 allocated for Colorado Gives Foundation Thriving Jeffco Responsive Grant acceptance
- \$18,584 allocated for Colorado Automobile Theft Prevention Authority
- \$14,177 allocated for 2023 Edward Byrne Justice Assistance Grant acceptance
- \$9,934 allocated to fund the Wish for Wheels event held at Stevens Elementary
- \$8,766 allocated to fund the workers compensation safety program

Actual tax, license and permit revenue in the General Fund varied from the final budgeted tax revenue by \$2.3 million due to lower than anticipated use tax related to a private-sector property development. Actual investment income exceeded budget by \$1.3 million due to the timing of spending invested funds on capital projects and due to high rates of return on investments related to continued high interest rates. Actual miscellaneous revenue exceeded budget by \$1.5 million mostly due to the correction of a building use tax and permit fee calculation error by the City's building division contractor associated with the Outlook Apartments development at Clear Creek Crossing.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The 2023 General Fund budget was adopted using \$1,036,191 of the fund balance to balance the budget. Transfers of \$3,000,000 to the Capital Improvement Program for capital projects, \$2,182,551 to the Open Space Fund for capital projects, \$500,000 to the Equipment Replacement Fund for the ERP project and \$436,680 to the Wheat Ridge Housing Fund for affordable housing projects were made from the General Fund fund balance.

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, 2023 amounts to \$144.3 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, construction in progress, land improvements, buildings, vehicles, machinery and equipment, infrastructure, leases, subscription-based information technology arrangements (SBITAs) and software. Additional information on capital assets is provided in Note 5 of the financial statements.

Major capital asset additions during the 2023 fiscal year totaled \$26.8 million and included the following:

- Construction in Progress in the amount of \$24.8 million
 - Wadsworth improvement project
 - Youngfield Bridge
 - Ward transit-oriented development (TOD) and 52nd Avenue
 - Rec center roof replacement
 - Public art installations
 - Smaller scale projects
- Infrastructure in the amount of \$0.4 million
 - Ward Road TOD – 49th Ave Undergrounding
 - 52nd Ave and Tabor St. storm sewer manhole installation
- Vehicles in the amount of \$0.7 million
 - Four Police Patrol vehicles
 - Three Police Investigation vehicles
 - One Police Crime Prevention vehicle
 - One Single-axle Public Works dump truck
 - One Parks Maintenance pickup truck
 - Two Public Works pickup trucks
 - One Community Development vehicle
- Machinery and Equipment in the amount of \$0.3 million
 - Anderson Building furnace
 - Server room equipment and other information technology
 - Rec center child care roof top heating and cooling units
 - Various parks maintenance equipment
 - Recreation center exercise equipment
 - Recreation center spa boiler replacement
 - Public Works intersection control equipment

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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

	2023	2022
Land	\$ 16,916,967	\$ 16,870,971
Artwork	196,795	196,795
Construction in Progress	89,478,604	64,702,901
Land Improvements	15,195,950	15,936,604
Buildings	8,375,870	8,988,783
Vehicles	3,164,903	2,968,250
Machinery and Equipment	1,968,089	2,116,100
Infrastructure	7,931,832	8,740,475
Software	12,972	10,722
SBITAs	468,683	-
Right to Use Equipment	610,269	822,945
Total Capital Assets	\$ 144,320,934	\$ 121,354,546

Long-term debt. At the end of the 2023 fiscal year, the City of Wheat Ridge had total long-term debt outstanding of \$15.6 million. Of this amount, \$4.0 million is due within one year. This total debt represents future bond principal payable from the Investing 4 the Future sales and use tax bond fund, future amortization of bond premium, compensated absences, claims payable, lease liabilities, and SBITA liabilities which are expected to be liquidated primarily with revenues of the General Fund. Additional information for long-term debt is provided in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's sales and use tax rate until December 31, 2016 was 3%. The rate then temporarily 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 Wheat Ridge electorate voted to extend the 2016 .5% tax for 20 years at the November 2023 election to fund approximately \$75 million in roadway, stormwater and sidewalk improvement projects. The new bonds will be issued in late 2024.

While sales tax revenues are flat compared to 2022, some revenue streams have changed due to economic factors and policy decisions. For example, lodgers' taxes, a funding source for the General, Crime Prevention, Capital Improvement Program and Wheat Ridge Housing funds, realized gains both in 2022 and 2023 due to the taxation of short-term rentals which began in August 2021. Lodging tax from hotel accommodations grew 4% in 2023 compared to 2022. Recreation-related charges for services continued to show strength in 2023 evidenced by an increase of 15% over 2022, despite the lifeguard shortage which impacted pool hours, and challenges in filling other seasonal staff positions. Investment income improved 192% over 2022 as the Federal Reserve kept interest rates consistent with 2022 in order to continue to control inflation.

Economic development across the city continues to change and evolve. The vibrant Applewood Village Shopping Center continues to attract new tenants and new construction now that the four retail tenants that backfilled the former Walmart space are fully operational. Applejack Wine and Spirits completed a renovation in 2022 that draws shoppers to the area and has a more aesthetically pleasing appearance. Chic-fil-A opened in November 2023 drawing additional shoppers to the center.

**CITY OF WHEAT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The Clear Creek Crossing project entitlements and public finance agreement were approved in 2018 and infrastructure construction is complete. The first business on the new development, a Maverik Adventures First Stop (fka 'Kum & Go') gas station, opened in 2021 along with a multifamily housing development. Foothills Credit Union and Dutch Brothers opened in 2022 and Life Time Fitness opened in March 2024. A Hampton Inn hotel is under construction and will open later in 2024. The developer is finalizing the leasing plan for additional potential tenants to include retail, food and beverage, hospitality and entertainment. Intermountain Health (fka "SCL Health") broke ground in June 2021 on a multi-year construction project of a medical campus due to open on August 3, 2024. Once the project is fully built out, sales tax, lodging, admissions and use tax revenue is projected to total \$1.8 million annually.

Renewal Wheat Ridge (RWR), the City's Urban Renewal Authority, issued tax-exempt bonds in November 2021 to fund various capital projects within the I-70/Kipling Corridors Urban Renewal Plan area. The total bond issuance provided approximately \$36 million in project funds to be used by RWR and the City to design and construct public improvements in the Plan area. Projects funded through this program target the Plan area's transportation corridors and include the completion of the street, right-of-way, trail and pedestrian bridge infrastructure at the Wheat Ridge Ward commuter rail station; improvements to major intersections; development assistance for public improvements of commercial developments; and drainage improvements.

The redeveloped Gold's Marketplace site at 26th and Kipling has attracted several new businesses and is becoming a vibrant neighborhood shopping center as it nears full occupancy. Esters Neighborhood Pub, Queen City Collective Coffee, XO Gift Co., Em's Ice Cream, Heidi's Brooklyn Deli, Illegal Pete's, Rich Spirit Bagels, Dogtopia, Nashly Nails, Apto Physical Therapy, The Cutting Room, BP Run Co., Radiant Homes and Cosmo's Dog Bakery and Pet Supplies are all open and contributing to a revitalized neighborhood shopping center that is popular with neighbors, commuters and residents from neighboring jurisdictions.

The adopted 2024 fiscal year budget is \$90 million. It includes a \$52.5 million operating budget, a \$3.5 million Investing 4 the Future capital projects budget, a \$10.5 million URA Projects Fund capital projects budget, a \$16.5 million CIP budget and \$10.7 million for special revenue budgets.

Requests for Information

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

Deputy City Manager
City of Wheat Ridge
7500 W. 29th Avenue
Wheat Ridge, Colorado 80033

BASIC FINANCIAL STATEMENTS

**CITY OF WHEAT RIDGE
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Primary Government	Component Unit
	Governmental Activities	Urban Renewal Authority
ASSETS		
Cash and Investments	\$ 38,157,434	\$ 31,945,204
Restricted Cash and Investments	8,175,048	4,327,784
Accounts Receivable	4,270,302	109,371
Property Taxes Receivable	1,473,670	4,066,607
Intergovernmental Receivables	10,767,477	-
Due From Component Unit	1,451,703	-
Lease Receivable	230,939	-
Loans Receivable	1,085,000	-
Prepaid Items	102,574	-
Capital Assets, Not Being Depreciated or Amortized	106,592,366	4,999,880
Capital Assets, Net of Depreciation and Amortization	37,728,568	-
Total Assets	210,035,081	45,448,846
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES		
Accounts Payable	5,563,076	1,853,840
Accrued Liabilities	1,915,729	-
Retainage Payable	2,009,444	-
Refundable Deposits	180,118	-
Due To Primary Government	-	1,451,703
Unearned Revenues	64,651	-
Accrued Interest Payable	53,567	153,731
Noncurrent Liabilities:		
Due Within One Year	3,956,400	615,428
Due in More than One Year	11,661,784	47,036,947
Total Liabilities	25,404,769	51,111,649
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	1,473,670	4,066,607
Leases	230,888	-
Total Deferred Inflows of Resources	1,704,558	4,066,607
NET POSITION		
Net Investment in Capital Assets	123,900,294	-
Restricted for:		
Capital Projects	8,733,799	-
Open Space and Parks	8,088,772	-
Police Investigations	8,989	-
Crime Prevention Activities	733,676	-
Government Access Channel	236,061	-
Emergencies	1,973,000	-
Unrestricted	39,251,163	(9,729,410)
Total Net Position	\$ 182,925,754	\$ (9,729,410)

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position	
					Primary Governmental Activities	Component Unit Urban Renewal Authority
PRIMARY GOVERNMENT						
Governmental Activities:						
General Government	\$ 16,229,869	\$ 440,490	\$ 119,713	\$ 51,182	\$ (15,618,484)	\$ -
Economic Development	1,457,325	-	-	-	(1,457,325)	-
Community Development	3,399,500	1,749,484	-	-	(1,650,016)	-
Police	14,901,981	319,310	321,987	-	(14,260,684)	-
Public Works	9,548,837	577,228	1,587,045	19,602,014	12,217,450	-
Parks and Recreation	8,830,828	2,897,393	116,648	2,455,346	(3,361,441)	-
Interest on Long-Term Debt	475,715	-	-	-	(475,715)	-
Total Primary Government	<u>\$ 54,844,055</u>	<u>\$ 5,983,905</u>	<u>\$ 2,145,393</u>	<u>\$ 22,108,542</u>	(24,606,215)	-
COMPONENT UNIT						
Urban Renewal Authority	<u>\$ 10,175,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	(10,175,197)
GENERAL REVENUES						
Property Taxes					1,248,008	3,203,314
Sales Taxes					29,499,885	964,450
Use Taxes					5,814,604	-
Franchise Taxes					2,003,753	-
Lodgers Taxes					2,182,657	-
Other Taxes					998,907	-
Investment Income (Loss)					2,142,676	1,933,591
Miscellaneous					2,228,012	13,326
Total General Revenues					<u>46,118,502</u>	<u>6,114,681</u>
CHANGE IN NET POSITION					21,512,287	(4,060,516)
Net Position - Beginning of Year, as Previously Reported					<u>159,756,986</u>	<u>(5,668,894)</u>
Restatement - Grant Revenues					1,656,481	-
Net Position - Beginning of Year, as Restated					<u>161,413,467</u>	<u>(5,668,894)</u>
NET POSITION - END OF YEAR					<u>\$ 182,925,754</u>	<u>\$ (9,729,410)</u>

See accompanying Notes to Financial Statements.

**CITY OF WHEAT RIDGE
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Open Space	Capital Projects	URA Projects	Investing 4 the Future	Other Governmental Funds	Totals
ASSETS							
Cash and Investments	\$ 18,982,319	\$ 7,249,483	\$ 6,941,408	\$ 1,791,127	\$ -	\$ 3,193,097	\$ 38,157,434
Restricted Cash and Investments	-	-	-	-	8,175,048	-	8,175,048
Accounts Receivable	3,613,506	-	29,665	-	559,053	68,078	4,270,302
Property Taxes Receivable	1,473,670	-	-	-	-	-	1,473,670
Intergovernmental Receivables	356,958	327,408	7,145,112	2,937,999	-	-	10,767,477
Lease Receivables	230,939	-	-	-	-	-	230,939
Loans Receivable	1,085,000	-	-	-	-	-	1,085,000
Prepaid Items	102,574	-	-	-	-	-	102,574
Due from Component Unit	-	-	-	1,451,703	-	-	1,451,703
Total Assets	\$ 25,844,966	\$ 7,576,891	\$ 14,116,185	\$ 6,180,829	\$ 8,734,101	\$ 3,261,175	\$ 65,714,147
LIABILITIES							
Accounts Payable	\$ 880,943	\$ 103,772	\$ 3,762,377	\$ 714,636	\$ -	\$ 101,348	\$ 5,563,076
Accrued Liabilities	1,706,940	17,261	-	164,699	-	26,829	1,915,729
Retainage Payable	72,735	-	1,549,894	386,815	-	-	2,009,444
Refundable Deposits	180,118	-	-	-	-	-	180,118
Unearned Revenues	64,651	-	-	-	-	-	64,651
Total Liabilities	2,905,387	121,033	5,312,271	1,266,150	-	128,177	9,733,018
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	1,473,670	-	-	-	-	-	1,473,670
Leases	230,888	-	-	-	-	-	230,888
Grants	10,625	-	3,107,121	716,495	-	-	3,834,241
Total Deferred Inflows of Resources	1,715,183	-	3,107,121	716,495	-	-	5,538,799
FUND BALANCES							
Nonspendable:							
Loans Receivable	1,085,000	-	-	-	-	-	1,085,000
Prepaid Items	102,574	-	-	-	-	-	102,574
Restricted for:							
Capital Projects	-	-	-	-	8,734,101	-	8,734,101
Open Space and Parks	-	7,455,858	-	-	-	632,914	8,088,772
Police Investigations	-	-	-	-	-	8,989	8,989
Crime Prevention Activities	-	-	-	-	-	733,676	733,676
Government Access Channel	236,061	-	-	-	-	-	236,061
Emergencies	1,973,000	-	-	-	-	-	1,973,000
Committed to:							
Municipal Court	-	-	-	-	-	67,426	67,426
Housing	-	-	-	-	-	466,672	466,672
Public Art	-	-	-	-	-	473,928	473,928
Assigned to:							
Subsequent Year's Budget	5,403,472	-	-	-	-	-	5,403,472
Capital Projects	-	-	5,696,793	4,198,184	-	-	9,894,977
Equipment Replacement	-	-	-	-	-	749,393	749,393
Unassigned	12,424,289	-	-	-	-	-	12,424,289
Total Fund Balances	21,224,396	7,455,858	5,696,793	4,198,184	8,734,101	3,132,998	50,442,330
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,844,966	\$ 7,576,891	\$ 14,116,185	\$ 6,180,829	\$ 8,734,101	\$ 3,261,175	\$ 65,714,147

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, 2023**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds	\$ 50,442,330
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	144,320,934
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred inflows of resources in the governmental funds and thus are not included in fund balance.	
Intergovernmental Revenues	3,834,241
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Bonds Payable	(12,120,000)
Bond Premium	(445,770)
SBITAs	(469,800)
Lease Liabilities	(638,444)
Accrued Compensated Absences	(1,641,926)
Claims Payable	(302,244)
Accrued Interest Payable	<u>(53,567)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 182,925,754</u></u>

See accompanying Notes to Financial Statements.

CITY OF WHEAT RIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Open Space	Capital Projects	URA Projects	Investing 4 the Future	Other Governmental Funds	Totals
REVENUES							
Taxes	\$ 35,163,202	\$ -	\$ 441,248	\$ -	\$ 5,050,047	\$ 1,093,317	\$ 41,747,814
Licenses and Permits	1,743,145	-	-	-	-	-	1,743,145
Intergovernmental	2,080,393	2,520,346	8,227,476	8,706,446	-	459,747	21,994,408
Charges for Services	3,823,554	90,676	136,211	-	-	9,766	4,060,207
Fines and Forfeitures	171,956	-	-	-	-	8,597	180,553
Investment Income	1,791,096	12,445	5,940	-	243,142	90,053	2,142,676
Miscellaneous	2,120,746	33,673	-	-	-	23,581	2,178,000
Total Revenues	46,894,092	2,657,140	8,810,875	8,706,446	5,293,189	1,685,061	74,046,803
EXPENDITURES							
Current:							
General Government	14,191,037	-	-	1,033,998	501	433,163	15,658,699
Economic Development	1,455,282	-	-	-	-	-	1,455,282
Community Development	3,405,667	-	-	-	-	-	3,405,667
Police	14,005,927	-	-	-	-	473,866	14,479,793
Public Works	2,862,490	-	348,355	-	-	-	3,210,845
Parks and Recreation	7,004,778	459,352	-	-	-	1,636	7,465,766
Capital Outlay	2,038,037	928,651	18,596,928	8,944,177	-	972,339	31,480,132
Debt Service:							
Principal	304,734	-	-	-	2,860,000	-	3,164,734
Interest	74,721	-	-	-	642,801	-	717,522
Total Expenditures	45,342,673	1,388,003	18,945,283	9,978,175	3,503,302	1,881,004	81,038,440
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,551,419	1,269,137	(10,134,408)	(1,271,729)	1,789,887	(195,943)	(6,991,637)
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	50,012	-	-	-	-	-	50,012
Insurance Recovery	51,182	-	-	-	-	-	51,182
Leases/SBITAs	582,950	-	-	-	-	-	582,950
Transfers In	-	2,182,551	3,225,000	-	-	1,411,680	6,819,231
Transfers Out	(6,119,231)	(225,000)	-	-	(475,000)	-	(6,819,231)
Total Financing Sources (Uses)	(5,435,087)	1,957,551	3,225,000	-	(475,000)	1,411,680	684,144
NET CHANGE IN FUND BALANCES	(3,883,668)	3,226,688	(6,909,408)	(1,271,729)	1,314,887	1,215,737	(6,307,493)
Fund Balances - Beginning of Year	25,108,064	4,229,170	12,606,201	5,469,913	7,419,214	1,917,261	56,749,823
FUND BALANCES - END OF YEAR	\$ 21,224,396	\$ 7,455,858	\$ 5,696,793	\$ 4,198,184	\$ 8,734,101	\$ 3,132,998	\$ 50,442,330

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
YEAR ENDED DECEMBER 31, 2023**

**RECONCILIATION TO THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

Net Change in Fund Balances - Governmental Funds \$ (6,307,493)

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

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	26,775,976
Depreciation and Amortization Expense	(3,807,813)
Contributed Assets	61,254
Net Book Value of Disposals	(63,029)

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. Examples are revenues from grant reimbursements.

Intergovernmental Revenue	2,147,091
---------------------------	-----------

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	2,860,000
SBITA Payments	104,097
Lease Payments	200,637

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. Additionally, lease proceeds provide current financial resources for governmental funds, but issuing leases increases long-term liabilities in the statement of next position. This represents changes in the following:

Accrued Interest Payable	2,385
Amortization of Premium	239,422
Compensated Absences	(94,507)
Claims Payable	(22,783)
Lease/SBITA Additions	<u>(582,950)</u>

Change in Net Position of Governmental Activities as Reported on the Statement of Activities	<u><u>\$ 21,512,287</u></u>
--	-----------------------------

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

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

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023**

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 *URA Projects Fund* accounts for the accumulation of resources from the proceeds of the Urban Renewal Authority tax revenue bond and for the acquisition or construction of major capital assets within the I-70/Kipling Corridor Urban Renewal Plan Area.

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.

Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the City reporting a SBITA asset and SBITA liability disclosed in Note 5 and 6, respectively.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Liabilities, and Net Position/Fund Balances

Receivables – Receivables include sales, use and lodgers' taxes, leases and loans. 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.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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*.

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.

Leases (Lessee) – The City is a lessee for noncancellable leases of equipment and a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses the incremental borrowing rate from the most recent bond issuance.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Leases (Lessor) - The City is a lessor for a noncancellable lease of a building rooftop. The City recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

SBITAs – SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. The City recognizes SBITA assets with an initial value of \$25,000. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Land Improvements	10 to 40 Years
Buildings	10 to 40 Years
Vehicles, Machinery, and Equipment	3 to 40 Years
Infrastructure	20 to 50 Years
Software	5 Years

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 personal time off up to a maximum based on years of service. Upon termination of employment from the City, an employee will be compensated for all personal time off at their current pay rate. A long-term liability has been reported in the government-wide financial statements for compensated absences.

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

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. Governmental funds can report fund balance classifications of nonspendable, restricted, committed, assigned, and unassigned. The nonspendable classification is generally for prepaid expenses that are part of fund balance but not available for spending. Restricted amounts are not available for appropriation because they are legally restricted by an outside party for a specific purpose. Committed funds are reserved for a specific purpose by City Council and cannot be committed or uncommitted without formal action through resolution by City Council. In addition, by resolution the City Council has delegated to the City Manager or his designee the authority to assign fund balances for specific purposes.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Property Taxes

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

Contraband Forfeitures

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

NOTE 2 CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2023, follows:

Petty Cash	\$ 4,150
Cash Deposits	8,422,206
Investments	74,179,114
Total	<u>\$ 82,605,470</u>

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

Cash and Investments - Primary Government	\$ 38,157,434
Restricted Cash and Investments - Primary Government	8,175,048
Cash and Investments - Component Unit	31,945,204
Restricted Cash and Investments - Component Unit	4,327,784
Total	<u>\$ 82,605,470</u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the City and the Authority had bank deposits with a carrying amount of \$1,696,073 and \$6,815,616, 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, 2023:

Investment	Fair Value	Maturity				Percentage of Investment
		Less Than 1 Year	1-5 Yrs	6-10 Yrs	More Than 10 Years	
U.S. Treasury Securities	\$ 28,486,039	\$ 6,558,466	\$ 21,927,573	\$ -	\$ -	38.40 %
Corporate Bonds	3,065,184	1,026,798	2,038,386	-	-	4.13
Federal Agency Bond / Note	5,416,608	-	5,416,608	-	-	7.30
Federal Agency Commercial Mortgage-Backed Security	6,065,242	-	6,065,242	-	-	8.18
Municipal Bonds	588,751	-	588,751	-	-	0.79
Supra National Agency	328,787	-	328,787	-	-	0.44
Local Government Investment Pools	25,900,719	25,900,719	-	-	-	34.91
Money Market Funds	4,327,784	4,327,784	-	-	-	5.83
Total	\$ 74,179,114	\$ 37,813,767	\$ 36,365,347	\$ -	\$ -	100.00

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

Investment	Credit Rating (S&P)					
	Fair Value	N/A	AAA	AA/AA-	A+/A/A-	BBB
U.S. Treasury Securities	\$ 28,486,039	\$ -	\$ -	\$ 28,486,039	\$ -	\$ -
Corporate Bonds	3,065,184	-	-	3,065,184	-	-
Federal Agency Bond / Note	5,416,608	-	-	5,416,608	-	-
Federal Agency Commercial Mortgage-Backed Security	6,065,242	-	-	6,065,242	-	-
Municipal Bonds	588,751	-	223,137	365,614	-	-
Supra National Agency	328,787	-	328,787	-	-	-
Total	<u>\$ 43,950,611</u>	<u>\$ -</u>	<u>\$ 551,924</u>	<u>\$ 43,398,687</u>	<u>\$ -</u>	<u>\$ -</u>

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. Investments in three specific U.S. Treasury Notes exceeded 5% of the total investments and makes up 16.7% of the investments balances.

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

	Valuation			
	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments:				
U.S. Treasury Securities	\$ 28,486,039	\$ 28,486,039	\$ -	\$ -
Corporate Bonds	3,065,184	-	3,065,184	-
Federal Agency Bond / Note	5,416,608	5,416,608	-	-
Federal Agency Commercial Mortgage-Backed Security	6,065,242	6,065,242	-	-
Municipal Bonds	588,751	588,751	-	-
Supra National Agency	328,787	328,787	-	-
Total Investments by Fair Value Level	43,950,611	<u>\$ 40,885,427</u>	<u>\$ 3,065,184</u>	<u>\$ -</u>
Local Government Investment Pools	25,900,719			
Money Market Funds	4,327,784			
Total Investments	<u>\$ 74,179,114</u>			

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Local Government Investment Pools – At December 31, 2023, the City had \$1,564,260 invested in the Colorado Surplus Asset Fund Trust (CSAFE) Core Fund, an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSAFE. The external investment pool is measured at net asset value (NAV) with each share valued at \$2.00. CSAFE Core is rated AA+ by Fitch. Investments of CSAFE Core are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments, the redemption frequency is daily with a 24-hour notification period, and a limit of three redemptions per month.

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, 2023, the City and the Authority had \$4,671,388 and \$9,065,074, respectively, invested in the Colorado Statewide Investment Pool (CSIP) Liquid Portfolio, an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSIP. The external investment pool is measured at net asset value (NAV) per share with each share valued at \$1.00. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSIP Liquid is rated AA+ by Standard and Poor's. Investments of CSIP Liquid are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

At December 31, 2023, the City had \$10,600,000 invested in the Colorado Statewide Investment Pool (CSIP) Term Portfolio, an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSIP. The external investment pool is measured at net asset value (NAV) per share with each share valued at \$1.00. CSIP Term is rated AA+ by Fitch. Investments of CSIP Term are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments, there is a seven-day notification period with potential early redemption penalties for withdrawal prior to maturity.

The Authority has \$4,327,784 in money market accounts at a financial institution which is valued at amortized cost.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the outstanding balance on the loans was \$1,085,000. The City did not receive principal or interest payments under either loan agreement during 2023.

NOTE 4 LEASE RECEIVABLE

The City, acting as lessor, leases a building rooftop under a long-term, non-cancelable lease agreement that expires in December 2032. During the year ended December 31, 2023, the City recognized \$18,354 and \$9,386 in lease revenue and interest revenue, respectively, pursuant to the contract.

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 19,498
2025	20,931
2026	22,356
2027	23,850
2028	25,399
2029-2032	118,905
Total Minimum Lease Payments	<u><u>\$ 230,939</u></u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, is summarized below.

	Balance 12/31/2022*	Additions	Deletions	Balance 12/31/2023
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 16,870,971	\$ 61,254	\$ (15,258)	\$ 16,916,967
Artwork	196,795	-	-	196,795
Construction in Progress	64,702,901	24,823,474	(47,771)	89,478,604
Total Capital Assets Not Being Depreciated	81,770,667	24,884,728	(63,029)	106,592,366
Capital Assets, Being Depreciated:				
Land Improvements	26,023,049	-	-	26,023,049
Buildings	24,276,096	-	-	24,276,096
Vehicles	6,955,874	713,362	(212,033)	7,457,203
Machinery and Equipment	9,419,041	278,534	-	9,697,575
Infrastructure	71,461,636	368,850	-	71,830,486
Software	394,497	8,806	-	403,303
SBITAs	-	573,897	-	573,897
Right to Use Lease Equipment	886,833	9,053	-	895,886
Total Capital Assets, Being Depreciated and Amortized	139,417,026	1,952,502	(212,033)	141,157,495
Less Accumulated Depreciation and Amortization:				
Land Improvements	(10,086,445)	(740,654)	-	(10,827,099)
Buildings	(15,287,313)	(612,913)	-	(15,900,226)
Vehicles	(3,987,624)	(516,709)	212,033	(4,292,300)
Machinery and Equipment	(7,302,941)	(426,545)	-	(7,729,486)
Infrastructure	(62,721,161)	(1,177,493)	-	(63,898,654)
Software	(383,775)	(6,556)	-	(390,331)
SBITAs	-	(105,214)	-	(105,214)
Right-to-Use Lease Equipment	(63,888)	(221,729)	-	(285,617)
Total Accumulated Depreciation and Amortization	(99,833,147)	(3,807,813)	212,033	(103,428,927)
Total Capital Assets, Being Depreciated and Amortized, Net	39,583,879	(1,855,311)	-	37,728,568
Governmental Activities Capital Assets, Net	<u>\$ 121,354,546</u>	<u>\$ 23,029,417</u>	<u>\$ (63,029)</u>	<u>\$ 144,320,934</u>

*An adjustment of \$771,109 was added to right to use lease equipment of \$771,109 as of January 1, 2023. A corresponding increase was reflected to the related lease liability and there was no impact to net position.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

General Government	\$ 446,171
Community Development	13,607
Police	366,896
Public Works	1,626,977
Parks and Recreation	1,354,162
Total	<u>\$ 3,807,813</u>

Capital asset activity for the Urban Renewal Authority for the year ended December 31, 2023, is summarized below.

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 4,999,880	\$ -	\$ -	\$ 4,999,880
Total Capital Assets	<u>\$ 4,999,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,999,880</u>

NOTE 6 LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2023.

	Balance 12/31/2022*	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental Activities					
2017 Revenue Bonds	\$ 14,980,000	\$ -	\$ 2,860,000	\$ 12,120,000	\$ 3,000,000
2017 Bond Premium	685,192	-	239,422	445,770	186,159
Compensated Absences	1,547,419	2,297,000	2,202,493	1,641,926	185,799
Claims Payable	279,461	123,934	101,151	302,244	302,244
SBITAs	-	573,897	104,097	469,800	120,855
Lease Liabilities	830,028	9,053	200,637	638,444	161,343
Total	<u>\$ 18,322,100</u>	<u>\$ 3,003,884</u>	<u>\$ 5,707,800</u>	<u>\$ 15,618,184</u>	<u>\$ 3,956,400</u>
Urban Renewal Authority					
Private Placement:					
2014 Loans Payable	\$ 325,000	\$ -	\$ 325,000	\$ -	\$ -
Series 2021 Bonds	41,945,000	-	1,185,000	40,760,000	-
2021 Bond Premium	7,524,827	-	632,452	6,892,375	615,428
Total	<u>\$ 49,794,827</u>	<u>\$ -</u>	<u>\$ 2,142,452</u>	<u>\$ 47,652,375</u>	<u>\$ 615,428</u>

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

*An adjustment of \$771,109 was added to lease liabilities of \$771,109 as of January 1, 2023. A corresponding increase was reflected to the related right to use lease equipment and there was no impact to net position.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Revenue Bonds

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

The bonds are payable solely from revenues generated by the 0.5% sales and use tax reported in the Investing 4 the Future Fund. During the year ended December 31, 2023, revenues of \$5,050,047 were available to pay annual debt service of \$3,502,801.

Remaining debt service at December 31, 2023, was as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	3,000,000	499,800	3,499,800
2025	3,150,000	349,800	3,499,800
2026	3,260,000	238,800	3,498,800
2027	2,710,000	108,400	2,818,400
Total	<u>\$ 12,120,000</u>	<u>\$ 1,196,800</u>	<u>\$ 13,316,800</u>

Lease Liabilities

The City leases equipment and a building under noncancellable agreements that expire in between 2024 and 2027. The total future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 161,343	\$ 22,273	\$ 183,616
2025	169,608	15,808	185,416
2026	181,945	8,925	190,870
2027	125,548	1,876	127,424
Total	<u>\$ 638,444</u>	<u>\$ 48,882</u>	<u>\$ 687,326</u>

SBITA Liabilities

The City subscribes to body worn camera software under a noncancellable agreement that expires in 2028. The total future minimum subscription payments for this subscription is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 120,855	\$ 3,903	\$ 124,758
2025	113,637	11,122	124,759
2026	115,347	9,412	124,759
2027	119,961	4,798	124,759
Total	<u>\$ 469,800</u>	<u>\$ 29,235</u>	<u>\$ 499,035</u>

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Urban Renewal Authority Loans

On May 14, 2014, the Authority approved a loan agreement with Colorado State Bank and Trust for \$2,455,000 to finance infrastructure improvements associated with redevelopment property. The loan accrues interest at 3.16% per annum. Interest payments are due semi-annually beginning December 1, 2014. Principal payments are due annually beginning December 1, 2015, through 2023. During the year ended December 31, 2023, the final principal payment of \$315,000 was made and the loan was retired.

Urban Renewal Authority Series 2021 Bonds

On November 9, 2021, the Authority issued the Series 2021 Tax Increment Revenue Refunding and Improvement Bonds for \$42,105,000 along with a premium of \$8,198,367, to refund the 2018 loan agreement and to finance various street improvements. Interest of 4.00% is due on June 1 and December 1 of each year, commencing on June 1, 2022. Principal payments are due annually beginning December 1, 2022, through 2040. During the year ended December 31, 2023, revenues of \$3,203,314 were available to pay annual debt service of \$1,510,000 in principal and \$1,772,800 in interest; however, the debt service was paid with existing capitalized interest.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 1,713,700	\$ 1,713,700
2025	740,000	1,713,700	2,453,700
2026	865,000	1,684,100	2,549,100
2027	975,000	1,649,500	2,624,500
2028	1,900,000	1,610,500	3,510,500
2029 - 2033	11,435,000	6,528,550	17,963,550
2034 - 2038	16,135,000	3,743,800	19,878,800
2039 - 2040	8,710,000	548,400	9,258,400
Total	<u>\$ 40,760,000</u>	<u>\$ 19,192,250</u>	<u>\$ 59,952,250</u>

NOTE 7 INTERFUND ACTIVITY

During the year ended December 31, 2023, the General Fund transferred \$3,000,000 to the Capital Projects Fund to finance capital projects, \$2,182,551 to the Open Space Fund to finance open space projects, \$500,000 to the Equipment Replacement Fund to finance equipment replacements, and \$436,860 to the Wheat Ridge Housing Fund to finance housing contributions. The amount of \$475,000 was transferred from the Investing 4 the Future Fund to the Public Art Fund to finance art purchases and \$225,000 was transferred from Open Space Fund to the Capital Projects Fund to finance capital projects. The amount of \$6,434,758 was transferred from the Urban Renewal Authority to the URA Project Fund to fund capital improvement projects.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 DUE TO/FROM PRIMARY GOVERNMENT AND COMPONENT UNIT

During the year ended December 31, 2023, \$1,451,703 was due from the Urban Renewal Authority to the URA Project Fund, to fund future capital improvement projects.

NOTE 9 RISK MANAGEMENT

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

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

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

	2023	2022
Claims Payable - January 1	\$ 279,461	\$ 285,917
Incurred Claims and Changes in Estimated Claims	123,934	149,209
Claims Paid	(101,151)	(155,665)
Claims Payable - December 31	\$ 302,244	\$ 279,461

For excess liability and property claims the City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers' compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, and officers.

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

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

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10 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 2023, employees contributed 10% of their compensation to the plan and the City contributed 11.5%. Employees become vested in City contributions to the plan at 20% annually, beginning in the third year of employment. The contribution requirements of plan members and the City are established and may be amended by the City Council. During the year ended December 31, 2023, the City's pension expense was \$920,843 and employee contributions to the plan were \$799,327, 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 2023, 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, 2023, the City's pension expense was \$70,649 and employee contributions to the plan were \$38,816, 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 2023, 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, 2023, the City's pension expense was \$708,376 and employee contributions to the plan were \$471,137, equal to the required contributions.

NOTE 11 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.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2023, the emergency reserve of \$1,973,000 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, 2023, 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.

Solar Power Purchase Agreement

On March 23, 2015, the City entered into an agreement to purchase solar power capacity in a community solar garden. The purchase was executed in April 2015, with an agreement in the amount of \$800,000. Monthly payments of \$6,681 are due under the agreement, beginning June 1, 2015, through May 1, 2030. This agreement does not meet the definition of lease per GASB 87, as it is considered to be a power purchase agreement. Ownership of the solar generating assets does not transfer to the City at the end of the agreement. Accordingly, the City does not present a capital asset or liability related to this agreement.

Litigation

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

NOTE 12 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.

**CITY OF WHEAT RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 12 TAX ABATEMENTS (CONTINUED)

For the fiscal year ended December 31, 2023, the City abated sales and use tax pursuant to several tax abatement agreements for a total of \$690,821. Two sales tax abatement agreements are with locally-owned businesses where the intent of the tax abatement is to foster continued capital investment. The City has a use tax abatement agreement with a property developer where the intent of the agreement is to support the operations and economic well-being of the ongoing property development. The maximum rebate allowed pursuant to all these agreements is \$12,888,415.

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, 2023, the Authority rebated property tax increment revenues and sales tax increment revenues for a total of \$1,063,327. These rebates related to three development companies and a locally-owned business, 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 pursuant to the rebate agreements is \$15,706,138.

NOTE 13 RESTATEMENT

The accompanying financial statements include the impact of prior period adjustments on the following balances related to errors in grant revenue. The errors made were due to control deficiencies related to the recognition and tracking of grant reimbursements. Management reconciled all beginning balances for 2022. As a result, it was determined for the year ended December 31, 2022, net position for the District was understated by \$1,656,481.

Accordingly, the cumulative effect of the accounting change is recorded at the beginning of the year in the financial statements as detailed below.

	Governmental Activities
Net Position, December 31, 2022 as Previously Reported	\$ 159,756,986
Grant Revenue	1,656,481
Net Position, December 31, 2022 as Restated	\$ 161,413,467

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 36,753,256	\$ 36,753,256	\$ 35,163,202	\$ (1,590,054)
Licenses and Permits	2,457,800	2,457,800	1,743,145	(714,655)
Intergovernmental	2,026,528	2,026,528	2,080,393	53,865
Charges for Services	3,718,603	3,718,603	3,823,554	104,951
Fines and Forfeitures	241,500	241,500	171,956	(69,544)
Investment Income	522,698	522,698	1,791,096	1,268,398
Miscellaneous	572,200	572,200	2,120,746	1,548,546
Total Revenues	<u>46,292,585</u>	<u>46,292,585</u>	<u>46,894,092</u>	<u>601,507</u>
EXPENDITURES				
Current:				
General Government	14,815,455	15,141,529	14,191,037	950,492
Economic Development	1,957,714	1,957,714	1,455,282	502,432
Community Development	3,864,446	3,926,004	3,405,667	520,337
Police	14,217,974	14,335,117	14,005,927	329,190
Public Works	5,319,286	5,319,286	2,862,490	2,456,796
Parks and Recreation	7,153,901	7,267,718	7,004,778	262,940
Capital Outlay	-	91,162	2,038,037	(1,946,875)
Debt Service:				
Principal	-	-	304,734	(304,734)
Interest	-	-	74,721	(74,721)
Total Expenditures	<u>47,328,776</u>	<u>48,038,530</u>	<u>45,342,673</u>	<u>2,695,857</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,036,191)	(1,745,945)	1,551,419	3,297,364
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	-	-	50,012	50,012
Insurance Recovery	-	-	51,182	51,182
Leases	-	-	582,950	582,950
Transfers Out	(5,159,000)	(6,119,231)	(6,119,231)	-
Total Other Financing Sources (Uses)	<u>(5,159,000)</u>	<u>(6,119,231)</u>	<u>(5,435,087)</u>	<u>684,144</u>
NET CHANGE IN FUND BALANCE	(6,195,191)	(7,865,176)	(3,883,668)	3,981,508
Fund Balance - Beginning of Year	<u>23,446,059</u>	<u>23,446,059</u>	<u>25,108,064</u>	<u>1,662,005</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,250,868</u>	<u>\$ 15,580,883</u>	<u>\$ 21,224,396</u>	<u>\$ 5,643,513</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE – OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 2,520,346	\$ 920,346
Charges for Services	721,651	721,651	90,676	(630,975)
Grants	381,968	381,968	-	(381,968)
Investment Income	900	900	12,445	11,545
Miscellaneous	800,000	800,000	33,673	(766,327)
Total Revenues	<u>3,504,519</u>	<u>3,504,519</u>	<u>2,657,140</u>	<u>(847,379)</u>
EXPENDITURES				
Current:				
Parks and Recreation	6,366,501	6,366,501	459,352	5,907,149
Capital Outlay	-	523,551	928,651	(405,100)
Total Expenditures	<u>6,366,501</u>	<u>6,890,052</u>	<u>1,388,003</u>	<u>5,502,049</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,861,982)	(3,385,533)	1,269,137	4,654,670
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(225,000)	(225,000)	-
Transfers In	1,659,000	2,182,551	2,182,551	-
NET CHANGE IN FUND BALANCE	(1,202,982)	(1,427,982)	3,226,688	4,654,670
Fund Balance - Beginning of Year	<u>3,481,585</u>	<u>3,481,585</u>	<u>4,229,170</u>	<u>747,585</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,278,603</u></u>	<u><u>\$ 2,053,603</u></u>	<u><u>\$ 7,455,858</u></u>	<u><u>\$ 5,402,255</u></u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE – INVESTING 4 THE FUTURE FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ 5,319,864	\$ 5,319,864	\$ 5,050,047	\$ (269,817)
Investment Income	94,545	94,545	243,142	148,597
Total Revenues	<u>5,414,409</u>	<u>5,414,409</u>	<u>5,293,189</u>	<u>(121,220)</u>
EXPENDITURES				
Current:				
General Government	100,000	478,159	501	477,658
Debt Service:				
Principal	2,860,000	2,860,000	2,860,000	-
Interest	642,800	642,800	642,801	(1)
Debt Issuance Costs	350	350	-	350
Total Expenditures	<u>3,603,150</u>	<u>3,981,309</u>	<u>3,503,302</u>	<u>478,007</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,811,259	1,433,100	1,789,887	356,787
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(475,000)	(475,000)	(950,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(475,000)</u>	<u>(475,000)</u>	<u>(950,000)</u>
NET CHANGE IN FUND BALANCE	1,811,259	958,100	1,314,887	(593,213)
Fund Balance - Beginning of Year	<u>6,981,316</u>	<u>6,981,316</u>	<u>7,419,214</u>	<u>437,898</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 8,792,575</u></u>	<u><u>\$ 7,939,416</u></u>	<u><u>\$ 8,734,101</u></u>	<u><u>\$ 794,685</u></u>

**CITY OF WHEAT RIDGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

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

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

SUPPLEMENTARY INFORMATION

**CITY OF WHEAT RIDGE
COMBINING BALANCE SHEET
NONMAJOR FUNDS
DECEMBER 31, 2023**

	Police Investigation	Municipal Court	Conservation Trust	Crime Prevention	Public Art	Equipment Replacement	Wheat Ridge Housing	Totals
ASSETS								
Cash and Investments	\$ 36,567	\$ 67,896	\$ 633,607	\$ 710,291	\$ 546,428	\$ 749,393	\$ 448,915	\$ 3,193,097
Accounts Receivable	-	-	-	44,497	-	-	23,581	68,078
Total Assets	\$ 36,567	\$ 67,896	\$ 633,607	\$ 754,788	\$ 546,428	\$ 749,393	\$ 472,496	\$ 3,261,175
LIABILITIES								
Accounts Payable	\$ 27,578	\$ 470	\$ 693	\$ 107	\$ 72,500	\$ -	\$ -	\$ 101,348
Accrued Liabilities	-	-	-	21,005	-	-	5,824	26,829
Total Liabilities	27,578	470	693	21,112	72,500	-	5,824	128,177
FUND BALANCES								
Restricted for:								
Open Space and Parks	-	-	632,914	-	-	-	-	632,914
Police Investigations	8,989	-	-	-	-	-	-	8,989
Crime Prevention Activities	-	-	-	733,676	-	-	-	733,676
Committed to:								
Municipal Court	-	67,426	-	-	-	-	-	67,426
Housing	-	-	-	-	-	-	466,672	466,672
Public Art	-	-	-	-	473,928	-	-	473,928
Assigned to:								
Equipment Replacement	-	-	-	-	-	749,393	-	749,393
Total Fund Balances	8,989	67,426	632,914	733,676	473,928	749,393	466,672	3,132,998
Total Liabilities and Fund Balances	\$ 36,567	\$ 67,896	\$ 633,607	\$ 754,788	\$ 546,428	\$ 749,393	\$ 472,496	\$ 3,261,175

**CITY OF WHEAT RIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR FUNDS
YEAR ENDED DECEMBER 31, 2023**

	Police Investigation	Municipal Court	Conservation Trust	Crime Prevention	Public Art	Equipment Replacement	Wheat Ridge Housing	Totals
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ 661,871	\$ 19,277	\$ -	\$ 412,169	\$ 1,093,317
Intergovernmental	-	-	459,747	-	-	-	-	459,747
Charges for Services	-	-	-	-	9,766	-	-	9,766
Fines and Forfeitures	-	4,515	-	4,082	-	-	-	8,597
Investment Income	35	1,825	71,993	2,871	8,166	5,097	66	90,053
Miscellaneous	-	-	-	-	-	-	23,581	23,581
Total Revenues	<u>35</u>	<u>6,340</u>	<u>531,740</u>	<u>668,824</u>	<u>37,209</u>	<u>5,097</u>	<u>435,816</u>	<u>1,685,061</u>
EXPENDITURES								
Current:								
General Government	-	27,339	-	-	-	-	405,824	433,163
Police	-	-	-	473,866	-	-	-	473,866
Parks and Recreation	-	-	-	-	1,636	-	-	1,636
Capital Outlay	27,354	-	472,485	-	472,500	-	-	972,339
Total Expenditures	<u>27,354</u>	<u>27,339</u>	<u>472,485</u>	<u>473,866</u>	<u>474,136</u>	<u>-</u>	<u>405,824</u>	<u>1,881,004</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,319)	(20,999)	59,255	194,958	(436,927)	5,097	29,992	(195,943)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	475,000	500,000	436,680	1,411,680
NET CHANGE IN FUND BALANCES	(27,319)	(20,999)	59,255	194,958	38,073	505,097	466,672	1,215,737
Fund Balances - Beginning of Year	<u>36,308</u>	<u>88,425</u>	<u>573,659</u>	<u>538,718</u>	<u>435,855</u>	<u>244,296</u>	<u>-</u>	<u>1,917,261</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,989</u>	<u>\$ 67,426</u>	<u>\$ 632,914</u>	<u>\$ 733,676</u>	<u>\$ 473,928</u>	<u>\$ 749,393</u>	<u>\$ 466,672</u>	<u>\$ 3,132,998</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
POLICE INVESTIGATION FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment Income	\$ 10	\$ 10	\$ 35	\$ 25
EXPENDITURES				
Current:				
Police	9,000	36,504	-	36,504
Capital Outlay	-	-	27,354	(27,354)
Total Expenditures	9,000	36,504	27,354	9,150
NET CHANGE IN FUND BALANCE	(8,990)	(36,494)	(27,319)	9,175
Fund Balance - Beginning of Year	35,493	36,308	36,308	-
FUND BALANCE - END OF YEAR	<u>\$ 26,503</u>	<u>\$ (186)</u>	<u>\$ 8,989</u>	<u>\$ 9,175</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL COURT FUND
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 6,000	\$ 4,515	\$ (1,485)
Investment Income	150	1,825	1,675
Total Revenues	<u>6,150</u>	<u>6,340</u>	<u>190</u>
EXPENDITURES			
Current:			
General Government	35,500	27,339	8,161
Total Expenditures	<u>35,500</u>	<u>27,339</u>	<u>8,161</u>
NET CHANGE IN FUND BALANCE	(29,350)	(20,999)	8,351
Fund Balance - Beginning of Year	<u>83,523</u>	<u>88,425</u>	<u>4,902</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 54,173</u></u>	<u><u>\$ 67,426</u></u>	<u><u>\$ 13,253</u></u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 400,000	\$ 459,747	\$ 59,747
Investment Income	14,960	71,993	57,033
Total Revenues	<u>414,960</u>	<u>531,740</u>	<u>116,780</u>
EXPENDITURES			
Current:			
Capital Outlay	665,150	472,485	192,665
Total Expenditures	<u>665,150</u>	<u>472,485</u>	<u>192,665</u>
NET CHANGE IN FUND BALANCE	(250,190)	59,255	309,445
Fund Balance - Beginning of Year	<u>399,470</u>	<u>573,659</u>	<u>174,189</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 149,280</u></u>	<u><u>\$ 632,914</u></u>	<u><u>\$ 483,634</u></u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
CRIME PREVENTION FUND
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Lodgers Taxes	\$ 540,000	\$ 661,871	\$ 121,871
Fines and Forfeitures	15,000	4,082	(10,918)
Investment Income	150	2,871	2,721
Total Revenues	<u>555,150</u>	<u>668,824</u>	<u>113,674</u>
EXPENDITURES			
Current:			
Police	<u>656,379</u>	<u>473,866</u>	<u>182,513</u>
Total Expenditures	<u>656,379</u>	<u>473,866</u>	<u>182,513</u>
NET CHANGE IN FUND BALANCE	(101,229)	194,958	296,187
Fund Balance - Beginning of Year	<u>499,887</u>	<u>538,718</u>	<u>38,831</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 398,658</u></u>	<u><u>\$ 733,676</u></u>	<u><u>\$ 335,018</u></u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
PUBLIC ART FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Use Taxes	\$ 20,000	\$ 20,000	\$ 19,277	\$ (723)
Intergovernmental	151,000	151,000	-	(151,000)
Charges for Services	9,100	9,100	9,766	666
Investment Income	200	200	8,166	7,966
Total Revenues	<u>180,300</u>	<u>180,300</u>	<u>37,209</u>	<u>(143,091)</u>
EXPENDITURES				
Current:				
Parks and Recreation	518,000	526,000	1,636	524,364
Capital Outlay	-	-	472,500	(472,500)
Total Expenditures	<u>518,000</u>	<u>526,000</u>	<u>474,136</u>	<u>51,864</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(337,700)	(345,700)	(436,927)	(194,955)
OTHER FINANCIAL SOURCES				
Transfers In	-	475,000	475,000	-
NET CHANGE IN FUND BALANCE	(337,700)	129,300	38,073	(91,227)
Fund Balance - Beginning of Year	<u>347,456</u>	<u>347,456</u>	<u>435,855</u>	<u>88,399</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,756</u>	<u>\$ 476,756</u>	<u>\$ 473,928</u>	<u>\$ (2,828)</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment Income	\$ 200	\$ 200	\$ 5,097	\$ 4,897
Total Revenues	200	200	5,097	4,897
OTHER FINANCIAL SOURCES				
Transfers In	500,000	500,000	500,000	-
NET CHANGE IN FUND BALANCE	500,200	500,200	505,097	4,897
Fund Balance - Beginning of Year	243,813	243,813	244,296	483
FUND BALANCE - END OF YEAR	<u>\$ 744,013</u>	<u>\$ 744,013</u>	<u>\$ 749,393</u>	<u>\$ 5,380</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
WHEAT RIDGE HOUSING FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ 412,169	\$ 412,169
Investment Income	-	-	66	66
Miscellaneous	-	-	23,581	23,581
Total Revenues	-	-	435,816	435,816
EXPENDITURES				
General Government	-	436,680	405,824	30,856
Total Expenditures	-	436,680	405,824	30,856
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(436,680)	29,992	466,672
OTHER FINANCIAL SOURCES				
Transfers In	-	436,680	436,680	-
NET CHANGE IN FUND BALANCE	-	-	466,672	466,672
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 466,672	\$ 466,672

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Lodgers Taxes	\$ 360,000	\$ 360,000	\$ 441,248	\$ 81,248
Intergovernmental	14,820,000	14,820,000	8,227,476	(6,592,524)
Charges for Services	-	-	136,211	136,211
Investment Income	175	175	5,940	5,765
Total Revenues	<u>15,180,175</u>	<u>15,180,175</u>	<u>8,810,875</u>	<u>(6,369,300)</u>
EXPENDITURES				
Public Works	-	-	348,355	(348,355)
Capital Outlay	26,682,246	33,578,669	18,596,928	14,981,741
Total Expenditures	<u>26,682,246</u>	<u>33,578,669</u>	<u>18,945,283</u>	<u>14,633,386</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,502,071)	(18,398,494)	(10,134,408)	8,264,086
OTHER FINANCIAL SOURCES				
Transfers In	<u>3,000,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(8,502,071)	(15,173,494)	(6,909,408)	8,264,086
Fund Balance - Beginning of Year	<u>12,557,081</u>	<u>12,557,081</u>	<u>12,606,201</u>	<u>49,120</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,055,010</u>	<u>\$ (2,616,413)</u>	<u>\$ 5,696,793</u>	<u>\$ 8,313,206</u>

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
URA PROJECT FUND
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 8,706,446	\$ 8,706,446
Miscellaneous	3,523,089	3,523,089	-	(3,523,089)
Total Revenues	<u>3,523,089</u>	<u>3,523,089</u>	<u>8,706,446</u>	<u>5,183,357</u>
EXPENDITURES				
Capital Outlay	6,582,725	14,109,211	9,978,175	4,131,036
Total Expenditures	<u>6,582,725</u>	<u>14,109,211</u>	<u>9,978,175</u>	<u>4,131,036</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,059,636)	(10,586,122)	(1,271,729)	9,314,393
OTHER FINANCIAL SOURCES				
Transfers In	3,059,636	4,983,055	-	(4,983,055)
NET CHANGE IN FUND BALANCE	-	(5,603,067)	(1,271,729)	4,331,338
Fund Balance - Beginning of Year	-	4,933,418	5,469,913	536,495
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (669,649)</u>	<u>\$ 4,198,184</u>	<u>\$ 4,867,833</u>

**CITY OF WHEAT RIDGE
BALANCE SHEET
COMPONENT UNIT – URBAN RENEWAL AUTHORITY
DECEMBER 31, 2023**

ASSETS

Cash and Investments	\$ 31,945,204
Restricted Cash and Investments	4,327,784
Accounts Receivable	109,371
Property Taxes Receivable	<u>4,066,607</u>
Total Assets	<u><u>\$ 40,448,966</u></u>

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

LIABILITIES

Accounts Payable	\$ 1,853,840
Due to Primary Government	<u>1,451,703</u>
Total Liabilities	3,305,543

DEFERRED INFLOWS OF RESOURCES

Property Taxes	4,066,607
----------------	-----------

FUND BALANCE

Restricted for Debt Service	4,327,784
Unrestricted, Unassigned	<u>28,749,032</u>
Total Fund Balance	<u>33,076,816</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 40,448,966</u></u>
--	-----------------------------

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

Total Fund Balance of Component Unit	\$ 33,076,816
--------------------------------------	---------------

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.

Bonds Payable	(40,760,000)
Bond Premium	(6,892,375)
Accrued Interest	<u>(153,731)</u>

Total Net Position of Component Unit	<u><u>\$ (9,729,410)</u></u>
--------------------------------------	------------------------------

CITY OF WHEAT RIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT – URBAN RENEWAL AUTHORITY
YEAR ENDED DECEMBER 31, 2023

REVENUES

Property Tax Increment	\$ 3,203,314
Sales Tax Increment	964,450
Investment Income	1,330,389
Unrealized Investment Gain (Loss)	603,202
Miscellaneous	13,326
Total Revenues	6,114,681

EXPENDITURES

Current:	
Community Development	153,725
Public Works	
Capital Outlay	8,548,198
Debt Service:	
Principal	1,510,000
Interest	1,772,800
Total Expenditures	11,984,723

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (5,870,042)

OTHER FINANCING SOURCES (USES)

Loss on Sale of Property Held for Resale	(330,299)
Total Other Financing Uses	(330,299)

NET CHANGE IN FUND BALANCE (6,200,341)

Fund Balance - Beginning of Year 39,277,157

FUND BALANCE - END OF YEAR \$ 33,076,816

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

Net Change in Fund Balance of Component Unit \$ (6,200,341)

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

Payment of Loan Principal 1,510,000

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 amortization of bond premium.

629,825

Change in Net Position of Component Unit \$ (4,060,516)

**CITY OF WHEAT RIDGE
BUDGETARY COMPARISON SCHEDULE
WHEAT RIDGE URBAN RENEWAL AUTHORITY
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Tax Increment	\$ 2,535,252	\$ 2,535,252	\$ 3,203,314	\$ 668,062
Sales Tax Increment	1,200,000	1,200,000	964,450	(235,550)
Investment Income	200,600	200,600	1,330,389	1,129,789
Unrealized Investment Gain (Loss)	-	-	603,202	603,202
Miscellaneous	-	-	13,326	13,326
Total Revenues	<u>3,935,852</u>	<u>3,935,852</u>	<u>6,114,681</u>	<u>2,178,829</u>
EXPENDITURES				
Current:				
Community Development	115,000	115,000	153,725	(38,725)
Capital Outlay	2,103,000	2,103,000	8,548,198	(6,445,198)
Debt Service:				
Principal	-	-	1,510,000	(1,510,000)
Interest	1,856,764	1,856,764	1,772,800	83,964
Total Expenditures	<u>4,074,764</u>	<u>4,074,764</u>	<u>11,984,723</u>	<u>(7,909,959)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(138,912)	(138,912)	(5,870,042)	(5,731,130)
OTHER FINANCIAL SOURCES (USES)				
Transfer to Primary Government	(16,293,355)	(16,293,355)	-	16,293,355
Loss on property disposition	-	(330,229)	(330,299)	(70)
Total Other Financing Sources (Uses)	<u>(16,293,355)</u>	<u>(16,623,584)</u>	<u>(330,299)</u>	<u>16,293,285</u>
NET CHANGE IN FUND BALANCE	(16,432,267)	(16,762,496)	(6,200,341)	10,562,155
Fund Balance - Beginning of Year	<u>40,982,047</u>	<u>40,982,047</u>	<u>39,277,157</u>	<u>(1,704,890)</u>
FUND BALANCE - END OF YEAR	<u>\$ 24,549,780</u>	<u>\$ 24,219,551</u>	<u>\$ 33,076,816</u>	<u>\$ 8,857,265</u>

STATE COMPLIANCE

**CITY OF WHEAT RIDGE
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2023**

Financial Planning 02/01
Form # 350-050-36

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

LOCAL HIGHWAY FINANCE REPORT		City or County: WHEAT RIDGE
		YEAR ENDING : December 2023
This Information From The Records Of The City of Wheat Ridge:	Prepared By: Phone:	Mark Colvin, FinanceManager 303-235-2817

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	23,327,841
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,268,622
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	22,518
2. General fund appropriations		b. Snow and ice removal	183,045
3. Other local imposts (from page 2)	14,589,892	c. Other	
4. Miscellaneous local receipts (from page 2)	3,503,255	d. Total (a. through c.)	205,563
5. Transfers from toll facilities		4. General administration & miscellaneous	677,443
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	3,241,687
a. Bonds - Original Issues	4,983,056	6. Total (1 through 5)	31,721,156
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	4,983,056	a. Interest	
7. Total (1 through 6)	23,076,203	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,120,631	2. Notes:	
D. Receipts from Federal Government (from page 2)	4,524,322	a. Interest	
E. Total receipts (A.7 + B + C + D)	31,721,156	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	31,721,156

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		31,721,156	31,721,156		0

Notes and Comments:

**CITY OF WHEAT RIDGE
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2023**

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING : December 2023	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,235,516	a. Interest on investments	5,940
b. Other local imposts:		b. Traffic Fines & Penalties	101,950
1. Sales Taxes	13,354,376	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	398,136
5. Specific Ownership &/or Other		g. Other Misc. Receipts	144,776
6. Total (1. through 5.)	13,354,376	h. Other - Jeffco, Arvada, WR Water and WR Sani	2,852,454
c. Total (a. + b.)	14,589,892	i. Total (a. through h.)	3,503,256
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	998,243	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	4,524,322
d. Other - Local Government		e. U.S. Corps of Engineers	
e. Other - 2018 DRCOG TIP	3,122,388	f. Other Federal	
f. Total (a. through e.)	3,122,388	g. Total (a. through f.)	4,524,322
4. Total (1. + 2. + 3.f)	4,120,631	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	69,367		69,367
b. Engineering Costs	395,907		395,907
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	22,320,597		22,320,597
(3). System Preservation	0		0
(4). System Enhancement & Operation	541,970		541,970
(5). Total Construction (1) + (2) + (3) + (4)	22,862,567	0	22,862,567
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	23,327,841	0	23,327,841
			(Carry forward to page 1)
Notes and Comments:			

FEDERAL COMPLIANCE – SINGLE AUDIT



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado (the City), as of and for the year ended December 31, 2023, 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 8, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a significant deficiency.

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

Report on Compliance and Other Matters

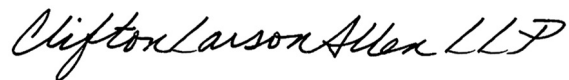
As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

The City’s Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Broomfield, Colorado
July 8, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Wheat Ridge, Colorado's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
July 8, 2024

**CITY OF WHEAT RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
Executive Office of the President - Direct Program			
High Intensity Drug Trafficking Areas Program	95.001	N/A	\$ 37,763
Total from Executive Office of the President			<u>37,763</u>
U.S. Department of Justice			
<i>Passed Through the Colorado Division of Criminal Justice</i>			
JAG - Byrne - AED	16.607	N/A	13,159
JAG - Byrne - Bullet Proof Vest	16.607	2020BUBX20023463	<u>7,714</u>
Total from U.S. Department of Justice			<u>20,873</u>
U.S. Department of Transportation			
<i>Passed Through the Colorado Department of Transportation</i>			
Traffic Safety Campaign	20.600	411031625	9,620
Pedestrian Safety Campaign	20.616	N/A	<u>23,204</u>
Total from U.S. Department of Transportation			<u>32,824</u>
U.S. Department of Health and Human Services			
<i>Passed Through Colorado Department of Human Services</i>			
Child Care and Development Block Grant	93.575	N/A	<u>89,780</u>
Total from U.S. Department of Health and Human Services			<u>89,780</u>
U.S. Department of Transportation			
<i>Passed Through the Colorado Department of Transportation</i>			
Highway Planning and Construction	20.205	16-HA1-ZH-00035	<u>10,605,171</u>
Total from U.S. Department of Transportation			<u>10,605,171</u>
Total Expenditures of Federal Awards			<u>\$ 10,786,411</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, 2023**

NOTE 1 BASIS OF ACCOUNTING

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

Federal expenditures for ALN 20.205 include \$1,656,481 of expenses that were incurred in 2022 and not reported on the 2022 SEFA. These expenses and related revenues are included in the 2023 SEFA.

NOTE 2 INDIRECT COST RATE

The City has not elected to use the 10% 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, 2023.

**CITY OF WHEAT RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

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? x yes no
 - Significant deficiency(ies) identified? x yes none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$ 750,000 </u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> x </u> no

**CITY OF WHEAT RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

2023 – 001 Reporting of Federal Expenditures

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During our review of 2023 federal expenditures and related federal grant revenue, we noted federal expenditures incurred in 2022 of \$1,656,481, were not reflected on the 2022 SEFA. Additionally, the revenue and related grant receivable and deferred inflow of resources were not accrued in 2022.

Criteria or specific requirement: Financial records are to be kept in accordance with generally accepted principles of governmental accounting [CRS § 22-45-102 and § 29-1-605].

Effect: These errors resulted in a restatement to beginning net position as described in Note 13 and inclusion of the federal expenditures in the 2023 SEFA.

Cause: The City did not properly reconcile federal expenditures to federal grant receivables.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City establish a policy and procedure to monitor and track all grant reimbursement requests to ensure proper accruals are recorded.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

2023 – 002 Leases

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During our review of leases, we noted one instance where the City serves as a lessee and one lease where the City serves as a lessor, for which the leases were not recorded or identified during the initial adoption of GASB Statement No. 87 (GASB 87), *Leases*, in 2022. This resulted in a lease receivable of \$230,888 and a right to use asset and corresponding lease liability of \$771,109 being recorded in 2023.

Criteria or specific requirement: Financial records are to be kept in accordance with generally accepted principles of governmental accounting [CRS § 22-45-102 and § 29-1-605]. Leases should be recorded when the underlying contract or agreement commences.

Effect: A passed adjustment was communicated to governance related to the lessor lease. Both leases were recorded as of 1/1/2023. The lessor lease resulted in an increase to lease receivable and corresponding increase to deferred inflow of resources, thus there was no impact to fund balance or net position. The lessee lease resulted in a increase to right to use lease assets and a corresponding increase to lease liability, thus there was no impact to fund balance or net position.

Cause: The City did not have a sufficient procedure or policy to review all lease contracts to ensure they are recorded during the period of adoption based on the commencement date.

**CITY OF WHEAT RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City establish a policy and procedure to ensure all lease agreements are identified, tracked, and properly accounted for in accordance with GASB-87.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

2023 – 003 Financial Close and Reporting

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During our review of the 2023 trial balance and year-end accruals, we noted the following issues.

- Transactions between the URA Project Fund and the WURA were not properly recorded or reconciled which resulted in an adjustment of \$1,451,702. The aforementioned transactions were recorded as transfers in and transfers out, rather than capital outlay expenditures and capital contribution revenue.
- Retainage of \$367,100 was not properly identified or accrued for by the City related to ongoing construction projects.
- A reimbursement request related to 2023 expenses totaling \$406,635 due from another local government was not recorded by the City as an intergovernmental receivable.

Criteria or specific requirement: Financial records are to be kept in accordance with generally accepted principles of governmental accounting [CRS § 22-45-102 and § 29-1-605].

Effect: The above matters were corrected after we presented the errors to management.

Cause: Lack of sufficient financial close and reporting procedures including reconciliation of non-cash transactions.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City establish a policy and procedure to ensure sufficient reconciliations are performed related to year-end balances and related accruals. We also recommend sufficient tracking of project costs and related reimbursements be communicated timely from public works to the finance/accounting department.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

2023-004 Property Held for Resale

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: Property held for resale totaling \$330,299 was sold in 2022; however, the disposition of the land was not recognized until 2023.

**CITY OF WHEAT RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Criteria or specific requirement: Financial records are to be kept in accordance with generally accepted principles of governmental accounting [CRS § 22-45-102 and § 29-1-605].

Effect: A loss on property disposition of \$330,299 was recorded in 2023, while the correct accounting would have been combined with the proceeds received and reported in 2022.

Cause: Insufficient review of year-end balances related to the WURA.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City establish a policy and procedure to ensure sufficient accounting and financial oversight over WURA exists.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs

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

**CITY OF WHEAT RIDGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2023**

The City of Wheat Ridge respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2023.

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2022 – 001 Investment Fair Value Measurement

Condition: During our review of investments, it was noted that a managed account was established with investments in U.S. Treasury Securities and Corporate Bonds that were recorded at cost, rather than at fair value.

Status: Corrective action was taken.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

**CITY OF WHEAT RIDGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

The City of Wheat Ridge respectfully submits the following corrective action plan for the year ended December 31, 2023.

The finding from the schedule of findings and questioned costs are discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2023-001 Reporting of Federal Expenditures

Recommendation: We recommend the City establish a policy and procedure monitor to track all grant reimbursement requests to ensure proper accruals are recorded.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Despite staff turnover in key areas of Federal expenditures, reimbursement requests and general program management, the Finance team will continue to interact on a frequent basis with other relevant City staff to monitor expenditures and reimbursement requests.

Name(s) of the contact person(s) responsible for corrective action: Mark Colvin

Planned completion date for corrective action plan: December 31, 2024

MATERIAL WEAKNESS

2023-002 Leases

Recommendation: We recommend the City establish a policy and procedure to ensure all lease agreements are identified, tracked, and properly accounted for in accordance with GASB-87.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: During the annual budget cycle, Finance will require budget managers and Procurement to disclose any lease and the Finance team will review those leases for relevance to GASB 87.

Name(s) of the contact person(s) responsible for corrective action: Mark Colvin

Planned completion date for corrective action plan: December 31, 2024

**CITY OF WHEAT RIDGE
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

MATERIAL WEAKNESS

2023-003 Financial Close and Reporting

Recommendation: We recommend the City establish a policy and procedure to ensure sufficient reconciliations are performed related to year-end balances and related accruals. We also recommend sufficient tracking of project costs and related reimbursements be communicated timely to the finance/accounting department.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City will continue to monitor accruals and receivables ensuring all relevant transactions are captured and reported in the correct financial period.

Name(s) of the contact person(s) responsible for corrective action: Mark Colvin

Planned completion date for corrective action plan: December 31, 2024

SIGNIFICANT DEFICIENCY

2023-004 Property Held for Resale

Recommendation: We recommend the City establish a policy and procedure to ensure sufficient accounting and financial oversight over WURA exists.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Should WURA ever acquire property again, the City will ensure that it is accounted from acquisition to disposition in accordance with generally accepted accounting principles.

Name(s) of the contact person(s) responsible for corrective action: Mark Colvin

Planned completion date for corrective action plan: July 31, 2024.