City of Wheat Ridge

WHEAT RIDGE
NEXT
CHAPTER

2025
Financial Statements

City of Wheat Ridge

Annual Financial Statements and Independent Auditors' Report

For the year ended December 31, 2025

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Introductory Section

CITY OF WHEAT RIDGE
CITY OFFICIALS
DECEMBER 31, 2025

MAYOR

Korey Stites

CITY COUNCIL

District 1	District 2	District 3	District 4
Kathleen Martell	Rachel Hultin	Susan Wood	Dan Larson
Jenny Snell	Scott Ohm	Patrick Quinn	Mike Okada

SENIOR DEPUTY CITY CLERK	Onorina Maloney
MUNICIPAL JUDGE	Jonathan Lucero
CITY TREASURER	Christopher Miller
CITY ATTORNEY	Gerald Dahl
CITY MANAGER	Patrick Goff
DEPUTY CITY MANAGER	Marianne Schilling
DIRECTOR OF COMMUNITY DEVELOPMENT	Lauren Mikulak
DIRECTOR OF PARKS & RECREATION	Karen O'Donnell
DIRECTOR OF PUBLIC WORKS	Kent Kisselman
CHIEF OF POLICE	Christopher Murtha
FINANCE MANAGER	Mark Colvin
HUMAN RESOURCES MANAGER	Carli Seeba
PROCUREMENT MANAGER	Whitney Mugford-Smith

Financial Section

Independent Auditors' Report

Honorable Mayor and the City Council
City of 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, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge, Colorado, as of December 31, 2025, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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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 generally accepted auditing standards 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 generally accepted auditing standards 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 and budgetary comparison information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information
Management is responsible for the other information included in the 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 September 4, 2026 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.

Littleton, Colorado
September 4, 2026

City of Wheat Ridge
Management's Discussion and Analysis
December 31, 2025

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, 2025. 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 2025 by $203.5 million (net position). Of this amount, $32.9 million (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.

- At the close of fiscal year 2025, the City of Wheat Ridge's governmental funds reported combined ending fund balances of $60.4 million, a decrease of approximately $6.8 million compared to the prior year. Approximately $14.9 million (25%), is available for spending at the City's discretion (unassigned fund balance).

- At the end of the fiscal year 2025, unassigned fund balance for the General Fund was $16.3 million, or 34% of total General Fund expenditures.

- General Fund actual revenues were $5.3 million more than final budgeted revenue for the fiscal year 2025 and actual expenditures were $1.7 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 2025. 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 personal time off).

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 Conservation Trust 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 Crime Prevention 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 $203.5 million at the close of the 2025 fiscal year.

The largest portion of the City of Wheat Ridge's net position (82%) 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 residents; consequently, these assets are not available for future spending.

An additional portion of the City of Wheat Ridge's net position (2%) represents resources that are subject to external restrictions on how they may be used (capital projects, open space and parks, police investigations, crime prevention activities, government access channel and emergency reserves). The remaining balance of unrestricted net position ($32.9 million) may be used to meet the City's obligations to residents 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. The Wheat Ridge Urban Renewal Authority, a discretely presented component unit, reported a deficit net position of approximately $12.6 million at year-end. The deficit is primarily attributable to outstanding tax increment revenue bond obligations issued to finance improvements within the urban renewal area. Future property tax increment and sales tax increment revenues are expected to provide the resources necessary to service the related debt.

City of Wheat Ridge Net Position

Changes in Net Position

	Governmental Activities	
	2025	2024
Current and Other Assets	$ 73,635,109	$ 82,727,022
Capital Assets	181,352,071	166,362,173
Total Assets	254,987,180	249,089,195
Other Liabilities	8,180,684	9,192,039
Long-Term Liabilities	39,637,974	42,254,866
Total Liabilities	47,818,658	51,446,905
Deferred Inflows of Resources	3,665,677	3,675,052
Net Position		
Net Investment in Capital Assets	166,211,413	157,207,929
Restricted	3,213,291	8,008,117
Unrestricted	34,078,141	28,751,192
	$ 203,502,845	$ 193,967,238

Governmental activities

- Current and other assets decreased 11% in 2025 due to the liquidation of investments to fund capital projects and the collection of outstanding receivables from governmental agencies.

- Capital assets increased 9% due primarily to continuing investment in the Wadsworth Improvement project and completion of The Green at 38^{th}.

- Other Liabilities decreased 11% relating primarily to lower payables and accruals at the end of 2025 compared to the same prior year-end.

City of Wheat Ridge Changes in Net Position

	2025	2024
REVENUES		
Program Revenues		
Charges for Services	$ 8,496,489	$ 6,122,932
Operating Grants and Contributions	2,271,632	2,408,711
Capital Grants and Contributions	11,337,873	14,931,787
General Revenues		
Property Taxes	1,489,274	1,512,455
Sales taxes	34,045,043	31,367,654
Use taxes	6,530,903	5,272,043
Franchise taxes	1,584,231	1,891,358
Lodgers taxes	1,905,038	2,160,938
Other taxes	884,424	965,002
Investment income	3,618,342	2,308,626
Miscellaneous	1,233,082	955,194
Total Revenues	73,396,331	69,896,700
EXPENSES		
General government	$17,884,724	$19,006,348
Economic Development	1,139,373	1,585,779
Community Development	3,246,826	3,167,385
Police	17,225,173	16,213,100
Public Works	13,480,453	7,309,672
Parks and Recreation	9,889,109	10,824,436
Interest on long-term debt	995,066	748,496
Total Expenses	63,860,724	58,855,216
CHANGE IN NET POSITION	9,535,607	11,041,484
NET POSITION, BEGINNING OF YEAR	193,967,238	182,925,754
NET POSITION, END OF YEAR	$ 203,502,845	$ 193,967,238

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, Communications, Homeless Navigation, Sustainability, Procurement, Information Technology and Central Charges.

- Taxes in the aggregate increased 8% compared to 2024. The increase is attributable to strong sales tax growth and building use tax resulting from a large residential housing project.

- Charges for Services increased 39% compared to 2024 due to building and plan review permits associated with new commercial and residential development projects, a new speed enforcement program, and increased participation in the City's parks and recreation facilities and programs.

- Operating Grants and Contributions decreased 6% due to lower receipts from intergovernmental sources compared to 2024.

- Capital Grants and Contributions decreased 24% due primarily to the Wadsworth Improvement project nearing completion and a commensurate drop in reimbursements from federal and local governments.

- Overall expenses increased 9% in 2025 compared to 2024, due mostly to city-wide personnel cost and benefit increases, facility maintenance projects, city-wide planning 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 2025, the City of Wheat Ridge's governmental funds reported combined ending fund balances of $60.4 million, a decrease of $6.8 million in comparison with the prior year. Approximately 25% of this total amount ($14.9 million) constitutes unassigned fund balance, which is available for spending at the City's discretion.

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 non-spendable for:

Developer Loan Receivable	$	1,085,000
Prepaid items	$	157,647
Capital Projects - Next Chapter Bond Fund	$	24,729,356
Open Space and Parks	$	338,634
Crime Prevention Activities Fund	$	277,843
Government Access Channel	$	191,894
TABOR mandated reserves	$	2,040,197
or committed to:		
Municipal Court Fund	$	69,754
Public Art Fund	$	414,327
Wheat Ridge Housing Fund	$	200,727
or assigned to:		
Subsequent year's budget	$	10,360,392
Capital Projects	$	5,333,163

The General Fund is the chief operating fund of the City of Wheat Ridge. At the end of fiscal year 2025, unassigned fund balance of the General Fund was $16.3 million, while total General Fund balance increased to approximately $20.2 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 34% of total General Fund expenditures, while total fund balance represents 42% 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 2025 include the completion of The Green at 38th, renovation of the Panorama Park Tennis Courts and maintenance of the trail systems and parks. At the end of 2025, the Open Space Fund balance was $3.7 million lower than the prior year due to capital spending to complete The Green at 38th project and to renovate the Panorama Park tennis courts.

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 2024, capital outlays were $8.4 million lower primarily due to decreased construction activity on the Wadsworth improvement project which is on track to be substantially complete by the end of 2026. The decrease in spending was offset by a transfer from the Next Chapter Bond Fund resulting in a $0.7 million increase in the Capital Projects Fund from 2024.

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. During 2025, $1.3 million in capital outlays was spent on the Youngfield Beautification Project, completion of the Youngfield Bridge Scour project and various other maintenance in the plan area. A significant amount of funding for these projects comes from bond proceeds managed by the Urban Renewal Authority. The URA Projects fund is about $1.0 million higher than 2024 due to decreased project spending.

In 2023, by way of ballot initiative 2J, Wheat Ridge voters extended a temporary ½ cent sales tax originally authorized in 2016. The voters wanted the City to address a number of concerns: roadways, sidewalk connectivity and drainage. In 2024, to address the concerns of the community, City Council approved the issuance of public indebtedness. Subsequently, underwriters approved the City for up to $75 million in public borrowing. In October 2024, the City issued 2024 Series revenue bonds which yielded $33.3 million in proceeds and the Next Chapter Bond Fund was established. During 2025, capital outlays ramped up with expenditures of $3.6 million on roadway and drainage projects throughout the City.

The City of Wheat Ridge has six non-major funds that are restricted for, committed to, and assigned to a variety of purposes. The combined fund balance is $1.6 million, which is a decrease of $1.3 million compared to 2024 due primarily to implementation of new information systems as part of the multi-year System Transformation initiative launched in late 2024. The Equipment Replacement Fund reported a deficit fund balance of approximately $29 thousand at year-end as expenditures for computer software purchases exceeded available resources during the year. Management expects future funding and operating activity to restore a positive fund balance.

General Fund Budgetary Highlights

The original budget was amended by City Council for a total of $428,150 in supplemental budget appropriations throughout the 2025 fiscal year. These amendments can be briefly summarized as follows:

Supplemental Budget Appropriations: Organized from largest to smallest expenditure

- $381,881 allocated for contractual building division services
- $25,000 allocated for Homeless Navigation Program from Colorado Gives Foundation grant acceptance
- $11,269 allocated for the purchase of computers from an Edward Byrne Memorial Justice Assistance Grant program
- $10,000 allocated for summer Sun Camp program from Jefferson County Open Space grant acceptance

Actual tax, license and permit revenue in the General Fund varied positively from the final budgeted amounts by $2.6 million due to higher than anticipated sales tax from retailers and building use tax and permit revenues resulting from a large residential housing project. Actual investment income exceeded budget by $1.1 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.

The 2025 General Fund budget was adopted using $1.6 million of the fund balance to balance the budget.

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, 2025 amounts to $181.4 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 2025 fiscal year totaled $24.5 million and included the following:

- Construction in Progress in the amount of $11.5 million
    - Wadsworth improvement project
    - Wadsworth path project
    - Vehicle not yet placed in service
    - Public Art installations
    - Clear Creek Crossing bus terminal
- Infrastructure in the amount of $0.7 million
    - Gold Line Station Transit-oriented development
- Vehicles in the amount of $0.9 million
    - Three Police Patrol vehicles
    - One Police Investigation vehicle
    - One International Harvester all-season heavy-duty truck
    - One Caterpillar paving roller
    - One Parks Maintenance pickup truck
    - One Parks Maintenance utility vehicle with plow
    - Two Public Works pickup trucks

- Land and Land Improvements in the amount of $10 million
  - The Green at 38th
  - Panorama Park tennis courts replacement
- Land in the amount of $1.2 million
  - Parfet Street acquisition for Public Works operations expansion
- Machinery and Equipment in the amount of $0.2 million
  - City Hall HVAC control system replacement
  - Recreation center Heat Recovery unit add-on component
  - Panorama Park basketball court lighting replacement
  - Parks Maintenance equipment
  - Recreation center exercise equipment
  - Recreation center pool chemical controller replacement
  - Anderson Park pool chemical controller replacement
  - Public Works utility trailer for traffic alerts

City of Wheat Ridge's Capital Assets

(Net of Depreciation and Amortization)

	2025	2024
Land	$ 18,354,706	$ 17,080,975
Artwork	404,295	404,295
Construction in Progress	95,595,325	88,841,859
Land Improvements	23,754,669	14,876,392
Buildings	8,289,852	9,030,848
Vehicles	4,169,651	3,966,807
Machinery and Equipment	2,969,356	3,330,191
Infrastructure	27,240,299	27,945,721
Software	22,665	29,495
SBITAs	253,323	388,670
Right to Use Equipment	297,929	466,920
Total Capital Assets	$ 181,352,071	$ 166,362,173

Long-term Debt. At the end of the 2025 fiscal year, the City of Wheat Ridge had total long-term debt outstanding of $39.6 million. Of this amount, $4.8 million is due within one year. This total debt represents future bond principal payable from the Next Chapter 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 is 3.5%. 3% is assigned to the General Fund to cover general operating expenditures. The additional .5% was first approved by Wheat Ridge voters in November 2016 to pay for specific capital projects identified in the Investing for the Future (Fund 31) and was extended for 20 years at the November 2023 election to fund $75 million in roadway, stormwater, and sidewalk improvement projects.

Sales tax revenues outperformed expectations in 2025, experiencing 5.4% growth over 2024 actual results. Following a year of 7.4% growth from 2023 to 2024, this continued positive economic trend of the City's biggest revenue stream is promising. Use tax, another significant revenue stream for the City at approximately 11% of General Fund revenues, increased 24% in 2025 in large part to The Stack residential development at the corner of W.44th and Kipling. Revenues received from services such as plan review, permit and zoning fees, recreation, and police related fees showed strength in 2025, increasing almost 13% over 2024 results. Investment income increased 56.7% compared to 2024 due to continued high interest rates and the timing of expenditures on capital projects, which allowed bond proceeds and other available funds to remain invested for longer periods.

Economic development across the city continues to change and evolve. As the Wadsworth Improvement Project visibly approaches completion, new businesses including a Dutch Brothers and Starbucks coffee shop have been attracted to the corridor. Overall, the reshaping of this major commercial corridor is attracting investment that will materialize over the coming years. The recently adopted Wheat Ridge Prosperity Plan identifies this corridor as a major priority for redevelopment. The vibrant Applewood Village Shopping Center continues to attract new tenants, although the recent closure of the Uncle Julio's Hacienda Colorado requires backfilling.

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. Intermountain Health's (fka "SCL Health") new hospital and medical campus opened in 2024. A Hampton Inn hotel opened in the summer of 2025 and Home2 Suites will open in 2026. Construction of the Lookout, the premier dining and entertainment destination at Clear Creek Crossing, continues and will include The Agora at Applewood (an innovative dining collective), HashTAG, Nana's Dim sum & Dumplings and a public park including a stage, amphitheater, playground and community game lawn. Bonfire Burritos and Prost Brewing Co. opened in the Lookout in 2026. The developer is finalizing the leasing plan for additional potential tenants to include retail, food and beverage, hospitality and entertainment. 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 beautification and multimodal improvements on Youngfield Street, improvements to public infrastructure, development assistance for public improvements of commercial developments, abatement of blighted properties, and improvements to City facilities.

Following the City's issuance of revenue bonds in October 2024 and the creation of the 2J Next Chapter Bond Fund, significant work commenced in 2025 on roadway, stormwater and sidewalk corridor improvement projects. These projects, and others, are anticipated to continue into the future. The total bond issuance provided approximately $33 million that is intended to be used for public improvement projects. The City intends to issue a second tranche of revenue bond indebtedness in either 2027 or 2028.

The adopted 2026 fiscal year budget is $101 million. It includes a $53.4 million operating budget, $27.8 million 2J Next Chapter Bond Fund budget, $11.9 million in other capital improvement project funds and $8.3 million in 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:

Finance Manager
City of Wheat Ridge
7500 W. 29th Avenue
Wheat Ridge, Colorado 80031

Basic Financial Statements

City of Wheat Ridge
Statement of Net Position
December 31, 2025

	PRIMARY GOVERNMENT	COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	URBAN RENEWAL AUTHORITY
ASSETS		
Cash and investments	$ 34,655,800	$ 19,666,203
Restricted cash and investments	26,609,594	11,046,547
Accounts receivable	5,204,989	389,746
Property tax receivable	1,545,924	5,856,380
Intergovernmental receivables	2,445,634	–
Lease receivable	1,930,521	-
Loan receivable	1,085,000	-
Prepaid items	157,647	-
Notes receivable	-	1,200,000
Capital assets, not being depreciated or amortized	114,354,325	-
Capital assets, net of accumulated depreciation and amortization	66,997,746	4,749,886
TOTAL ASSETS	254,987,180	42,908,762
LIABILITIES		
Accounts payable	3,188,423	3,736,596
Accrued liabilities	1,484,485	-
Retainage payable	2,448,302	-
Refundable deposits	892,474	-
Unearned revenues	34,790	-
Accrued interest payable	132,208	140,342
Noncurrent liabilities:		
Due within one year	4,816,973	1,469,798
Due in more than one year	34,821,001	44,211,721
TOTAL LIABILITIES	47,818,656	49,558,457
DEFERRED INFLOWS OF RESOURCES		
Property taxes	1,545,924	5,856,380
Leases	1,985,491	-
Deferred revenue	-	93,187
Deferred gain on refunding, net of amortization	134,262	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,665,677	5,949,567
NET POSITION		
Net investment in capital assets	166,211,413	-
Restricted for:		
Capital projects	-	7,980,266
Open space and parks	703,359	-
Crime prevention activities	277,843	-
Government access channel	191,894	-
Emergencies	2,040,197	-
Unrestricted	34,078,141	(20,579,528)
TOTAL NET POSITION	$ 203,502,845	$ (12,599,262)

The accompanying notes are an integral part of these financial statements.

City of Wheat Ridge
Statement of Activities
For the Year Ended December 31, 2025

Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position — Primary Government: Governmental Activities	Net (Expense) Revenue and Change in Net Position — Component Unit: Urban Renewal Authority
PRIMARY GOVERNMENT						
Governmental activities:						
General government	$ 17,884,724	605,755	$ 186,154	$ -	$ (17,092,815)	$ -
Economic development	1,139,373	-	-	-	(1,139,373)	-
Community development	3,246,826	1,990,746	-	2,302,210	1,046,130	-
Police	17,225,173	896,955	352,534	-	(15,975,684)	-
Public works	13,480,453	934,015	1,721,876	5,438,135	(5,386,427)	-
Parks and recreation	9,889,109	4,069,018	11,068	3,597,528	(2,211,495)	-
Interest on long-term debt	995,066	-	-	-	(995,066)	-
Total Primary Government	$ 63,860,724	$ 8,496,489	$ 2,271,632	$ 11,337,873	(41,754,730)	-
COMPONENT UNIT						
Urban Renewal Authority	$ 8,892,807	$ -	$ -	$ -	-	(8,892,807)
			GENERAL REVENUES			
			Property Taxes		1,489,274	4,362,924
			Sales taxes		34,045,043	692,318
			Use taxes		6,530,903	-
			Franchise taxes		1,584,231	-
			Lodgers taxes		1,905,038	-
			Other taxes		884,424	-
			Investment income		3,618,342	940,479
			Miscellaneous		1,233,082	880
			Total general revenues		51,290,337	5,996,601
			CHANGE IN NET POSITION		9,535,607	(2,896,206)
			NET POSITION, BEGINNING		193,967,238	(9,703,056)
			NET POSITION, ENDING		$ 203,502,845	$ (12,599,262)

The accompanying notes are an integral part of these financial statements.

City of Wheat Ridge
Balance Sheet
Governmental Funds
December 31, 2025

ASSETS	General	Open Space	Capital Projects	URA Projects	Next Chapter Bond	Other Governmental Funds	Totals
Cash and investments	$ 17,695,981	$ 1,416,444	$ 9,054,844	$ 4,900,003	$ -	$ 1,588,528	$ 34,655,800
Restricted cash and investments	–	–	–	–	26,609,594	–	26,609,594
Accounts receivable	4,016,368	–	26,534	201,201	612,070	348,815	5,204,988
Property taxes receivable	1,545,924	–	–	–	–	–	1,545,924
Intergovernmental receivables	363,246	950,807	1,131,581	–	–	–	2,445,634
Lease receivables	1,930,521	–	–	–	–	–	1,930,521
Loans receivable	1,085,000	–	–	–	–	–	1,085,000
Prepaid items	157,647	-	-	-	-	(0)	157,647
Total Assets	$ 26,794,686	$ 2,367,251	$ 10,212,959	$ 5,101,204	$ 27,221,664	$ 1,937,343	$ 73,635,108
LIABILITIES							
Accounts payable	$ 747,447	$ 93,741	$ 1,015,977	$ 483,503	$ 610,680	$ 237,075	$ 3,188,423
Accrued liabilities	1,362,982	17,351	3,023	-	3,193	97,936	1,484,485
Retainage payable	-	404,430	1,858,206	92,537	93,129	-	2,448,302
Refundable deposits	892,474	-	-	-	-	-	892,474
Unearned revenues	34,790	-	-	-	-	-	34,790
Total Liabilities	3,037,693	515,522	2,877,206	576,040	707,002	335,011	8,048,474
DEFERRED INFLOWS OF RESOURCES							
Property taxes	1,545,924	-	-	-	-	-	1,545,924
Leases	1,985,491	-	-	-	-	-	1,985,491
Grants	-	497,092	1,125,317	-	-	-	1,622,409
Total Deferred Inflows of Resources	3,531,415	497,092	1,125,317	-	-	-	5,153,824
FUND BALANCES							
Nonspendable:							
Loans receivable	1,085,000	-	-	-	-	-	1,085,000
Prepaid items	157,647	-	-	-	-	-	157,647
Restricted for:							
Capital projects	-	-	-	-	24,729,356	-	24,729,356
Open space and parks	-	338,634	-	-	-	364,725	703,359
Crime prevention activities	-	-	-	-	-	277,843	277,843
Government Access Channel	191,894	-	-	-	-	-	191,894
Emergencies	2,040,197	-	-	-	-	-	2,040,197
Committed to:							
Municipal court	-	-	-	-	-	69,754	69,754
Housing	-	-	-	-	-	200,727	200,727
Public art	-	-	-	-	-	414,327	414,327
Assigned to:							
Subsequent year's budget	489,414	1,016,003	877,274	5,888,491	1,785,306	303,904	10,360,392
Capital projects	-	-	5,333,163	-	-	-	5,333,163
Unassigned	16,261,426	-	-	(1,363,327)	-	(28,948)	14,869,151
Total Fund Balances	20,225,578	1,354,637	6,210,437	4,525,164	26,514,662	1,602,332	60,432,810
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 26,794,686	$ 2,367,251	$ 10,212,959	$ 5,101,204	$ 27,221,664	$ 1,937,343	$ 73,635,108

The accompanying notes are an integral part of these financial statements.

City of Wheat Ridge
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2025

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total fund balances - governmental funds	$ 60,432,810
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.	181,352,071
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	1,622,409
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	(31,730,000)
Bond premium	(3,438,656)
Deferred gain on bond refunding, net of amortization	(134,262)
Notes payable	(1,200,000)
SBITAs	(277,239)
Lease liabilities	(307,493)
Accrued compensated absences	(2,376,696)
Claims payable	(307,891)
Accrued interest payable	(132,208)
Net position of governmental activities as reported on the statement of net position	$ 203,502,845

The accompanying notes are an integral part of these financial statements.

City of Wheat Ridge
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds
For the Year Ended December 31, 2025

	General	Open Space	Capital Projects	URA Projects	Next Chapter Bond	Other Governmental Funds	Totals
REVENUES							
Taxes	$ 39,707,500	$ -	$ 368,228	$ -	$ 5,794,684	$ 568,502	$ 46,438,914
Licenses and permits	2,330,315	-	-	-	-	-	2,330,315
Intergovernmental	2,138,317	3,640,097	6,698,163	2,302,210	-	506,035	15,284,822
Charges for services	4,738,898	505,089	103,180	-	-	5,831	5,352,998
Fines and forfeitures	802,024	-	-	-	-	11,153	813,177
Investment income	1,992,778	12,836	6,127	-	1,532,616	73,985	3,618,342
Miscellaneous	689,269	140,000	374	308,626	-	-	1,138,269
TOTAL REVENUES	52,399,101	4,298,022	7,176,072	2,610,836	7,327,300	1,165,506	74,976,837
EXPENDITURES:							
Current:							
General government	15,638,647	-	-	267,222	1,060,172	175,336	17,141,377
Economic development	1,137,395	-	-	-	-	-	1,137,395
Community development	3,219,487	-	-	-	-	-	3,219,487
Police	15,802,123	-	-	-	-	923,185	16,725,308
Public works	3,694,880	-	221,425	-	-	-	3,916,305
Parks and recreation	7,277,591	682,981	-	-	-	-	7,960,572
Capital outlay	1,326,567	7,262,547	12,482,313	1,338,952	3,635,921	1,431,303	27,477,603
Debt Service:							
Principal	299,299	-	-	-	3,115,000	-	3,414,299
Interest	49,978	-	-	-	1,926,154	-	1,976,132
Total Expenditures	48,445,967	7,945,528	12,703,738	1,606,174	9,737,247	2,529,824	82,968,478
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,953,134	(3,647,506)	(5,527,666)	1,004,662	(2,409,947)	(1,364,318)	(7,991,641)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	15,084	-	-	-	-	-	15,084
Loan proceeds	-	-	1,200,000	-	-	-	1,200,000
Transfers in	-	-	5,000,000	-	-	76,000	5,076,000
Transfers out	-	(60,000)	-	(16,000)	(5,000,000)	-	(5,076,000)
Total Other Financing Sources/(Uses)	15,084	(60,000)	6,200,000	(16,000)	(5,000,000)	76,000	1,215,084
NET CHANGES IN FUND BALANCES	3,968,218	(3,707,506)	672,334	988,662	(7,409,947)	(1,288,318)	(6,776,557)
FUND BALANCES, BEGINNING OF YEAR	16,257,360	5,062,143	5,538,103	3,536,502	33,924,609	2,890,650	67,209,367
FUND BALANCES, END OF YEAR	$ 20,225,578	$ 1,354,637	$ 6,210,437	$ 4,525,164	$ 26,514,662	$ 1,602,332	$ 60,432,810

The accompanying notes are an integral part of these 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
For the Year Ended December 31, 2025

Net change in fund balance - governmental funds	$ (6,776,557)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital outlays used 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	19,605,538
Depreciation and amortization expense	(4,695,368)
Contributed assets	94,813
Net book value of disposals	(15,084)
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 grants receivable	(1,675,318)
Loan proceeds	(1,200,000)
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	3,115,000
SBITA payments	129,691
Lease payments	169,608
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 net position. This represents changes in the following:	
Accrued interest payable	309,091
Amortization of premium	417,392
Deferred gain on bond refunding	71,601
Compensated absences	(197,777)
Claims payable	182,977
Change in net position of governmental activities as reported on the statement of activities	$ 9,535,607

The accompanying notes are an integral part of these financial statements.

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.

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.

1. Summary of Significant Accounting Policies (continued)

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 recognized when earned and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are 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.

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.

1. Summary of Significant Accounting Policies (continued)

The *Next Chapter Bond Fund* accounts for the extension of the 0.5% sales and use tax previously accounted for in the Investing 4 the Future fund. This extension was approved by election 2J in 2023 to finance priority infrastructure projects.

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, 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, Deferred Inflows of Resources, 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.

lnterfund 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.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

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.

Leases (Lessor) - The City is a lessor for noncancellable leases 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.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

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 are 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.

Subscription based information technology arrangements (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.

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

Land improvements	10 - 40 years
Buildings	10 - 40 years
Vehicles, machinery, & equipment	3 - 40 years
Infrastructure	20 - 50 years
Software	5 years

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

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 liability for compensated absences is recognized for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, personal time off qualifies for liability recognition for compensated absences. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

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.

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.

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 General Fund balance of at least two months, or approximately 17%, of 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.

1. Summary of Significant Accounting Policies (continued)

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 General Fund.

New Accounting Pronouncement

During 2025, the City implemented GASB Statement No. 102, Certain Risk Disclosures. This Statement establishes disclosure requirements related to certain concentrations and constraints that may make a government vulnerable to a substantial impact. The implementation of this Statement had no impact on the City's financial statements.

2. Cash and Investments

A summary of cash and investment accounts December 31, 2025, follows:

Petty cash	$	4,150
Cash deposits		19,750,690
Investments		72,223,304
Total	$	91,978,144

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

Cash and investments - primary government	$	34,655,800
Restricted cash and investments - primary government		26,609,594
Cash and investments - component unit		19,666,203
Restricted cash and investments - component unit		11,046,547
Total	$	91,978,144

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, 2025, the City and the Authority had bank deposits with a carrying amount of $3,639,599 and $16,111,091, respectively, collateralized with securities held by the financial institutions' agents but not in their name.

2. Cash and Investments (continued)

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, 2025:

Investment	Fair Value	1 Year	1-5 Years	6-10 Years	10 Years	Investment
U.S. Treasury securities	$ 34,734,813	$ 9,852,243	$ 24,882,570	$ -	$ -	48.09%
Corporate bonds	6,085,137	491,324	5,593,813	-	-	8.43%
Federal agency bond/note	1,554,833	-	1,554,833	-	-	2.15%
Federal agency commercial						0.00%
mortgage -backed security	8,916,540	-	8,916,540	-	-	12.35%
Municipal bonds	872,376	-	872,376	-	-	1.21%
Supra National Agency	135,957	-	135,957	-	-	0.19%
Local government investment bonds	18,971,944	18,971,944	-	-	-	26.27%
Money market funds	951,703	951,703	-	-	-	1.32%
Total	$ 72,223,303	$ 30,267,214	$ 41,956,089	$ -	$ -	100.00%

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	Fair Value	N/A	AAA	AA/AA-	A+AA-	BBB
U.S. Treasury securities	$ 34,734,813	$ -	$ -	$ 34,734,813	$ -	$ -
Corporate bonds	6,085,137	-	-	6,085,137	-	-
Federal agency bond/note	1,554,833	-	-	1,554,833	-	-
Federal agency commercial			-			
mortgage -backed security	8,916,540	-	-	8,916,540	-	-
Municipal bonds	872,376	71,317	226,617	574,442	-	-
Supra National Agency	135,957	-	135,957	-	-	-
Total	$ 52,299,656	$ 71,317	$ 362,574	$ 51,865,765	$ -	$ -

2. Cash and Investments (continued)

Investments (Continued)

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

Fair Value of Investments - The City 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 Fair Value Measurements Using		
Investments	**December 31, 2025**	**Level 1**	**Level 2**	**Level 3**
U.S. Treasury securities	$ 34,734,813	$ 34,734,813	$ -	$ -
Corporate bonds	6,085,137	-	6,085,137	-
Federal agency bond/note	1,554,833	1,554,833	-	-
Federal agency commercial mortgage -backed security	8,916,540	8,916,540	-	-
Municipal bonds	872,376	-	872,376	-
Supra National Agency	135,957	135,957	-	-
Total Investments by Fair Value Level	52,299,656	$ 45,342,143	$ 6,957,513	$ -
Local government investment pools	18,971,944			
Money market funds	951,703			
	$ 72,223,303			

Local Government Investment Pools - At December 31, 2025, the City had $1,610,383 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 AAAf 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.

At December 31, 2025, the City and the Authority had $8,293,959 and $10,019,305, 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 AAAm by Standard and Poor's. Investments of CSIP Liquid are limited to those allowed by State statutes.

2. Cash and Investments (continued)

Investments (Continued)

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, 2025, the City had $2,700,000 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 AAAf 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 $951,703 in money market accounts at a financial institution which is valued at amortized cost.

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, 2025, the outstanding balance on the loans was $1,085,000. The City did not receive principal or interest payments under either loan agreement during 2025.

4. Lease Receivable

The City, acting as lessor, leases a building rooftop under four long-term, non-cancelable lease agreements that expire in December 2028 and December 2032 and three agreements have (2) 5-year optional renewal terms the City expects to execute. During the year ended December 31, 2025, the City recognized $82,525 and $77,376 in lease revenue and interest revenue, respectively, pursuant to the contracts.

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

4. Lease Receivable (continued)

Year Ended December 31	Amount
2026	$ 91,750
2027	101,570
2028	111,827
2029	123,118
2030	134,922
2031-2036	950,733
2037-2038	416,601
	$ 1,930,521

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5. Capital Assets

Capital asset activity for the year ended December 31, 2025 is summarized below:

	Balance December 31, 2024	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2025
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 17,080,975	$ 1,273,731	$ -	$ 18,354,706
Artwork	404,295	-	-	404,295
Construction in progress	88,841,859	11,493,526	(4,740,060)	95,595,325
Total capital assets, not being depreciated	106,327,129	12,767,257	(4,740,060)	114,354,325
Capital assets, being depreciated				
Land improvements	26,520,644	9,862,865	-	36,383,509
Buildings	25,562,601	-	-	25,562,601
Vehicles	8,338,560	925,381	(481,416)	8,782,525
Machinery and equipment	11,486,979	198,979	-	11,685,958
Infrastructure	93,236,657	727,004	-	93,963,661
Software	426,053	-	-	426,053
SBITAs	629,173	-	-	629,173
Right-to-use lease equipment	925,603	-	-	925,603
Total capital assets, being depreciated and amortized	167,126,270	11,714,229	(481,416)	178,359,083
Less accumulated depreciation and amortization:				
Land improvements	(11,644,252)	(984,588)	-	(12,628,840)
Buildings	(16,531,753)	(740,996)	-	(17,272,749)
Vehicles	(4,371,753)	(666,378)	425,257	(4,612,874)
Machinery and equipment	(8,156,788)	(559,814)	-	(8,716,602)
Infrastructure	(65,290,936)	(1,432,426)	-	(66,723,362)
Software	(396,558)	(6,830)	-	(403,388)
SBITAs	(240,503)	(135,347)	-	(375,850)
Right-to-use lease equipment	(458,683)	(168,991)	-	(627,674)
Total accumulated depreciation and amortization:	(107,091,226)	(4,695,368)	425,257	(111,361,337)
Total capital assets, being depreciated and amortized, net	60,035,044	7,018,861	(56,159)	66,997,746
Governmental activities capital assets, net	$ 166,362,173	$ 19,786,117	$ (4,796,219)	$ 181,352,071

5. Capital Assets (continued)

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

General government	$ 701,813
Community development	15,472
Police	414,819
Public works	1,674,283
Parks and recreation	1,888,981
	$ 4,695,368

Capital asset activity for the Urban Renewal Authority for the year ended December 31, 2025 is summarized below.

	Balance at December 31, 2024	Transfers/ Additions	Transfers/ Retirements	Balance at December 31, 2025
Governmental activities				
Capital assets, being depreciated				
Infrastructure	$ 4,999,880	$ -	$ -	$ 4,999,880
Less accumulated depreciation and amortization:				
Infrastructure	(124,997)	(124,997)	-	(249,994)
Total capital assets	$ 4,874,883	$ (124,997)	$ -	$ 4,749,886

6. Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2025.

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Governmental activities					
2024 Revenue Bonds	$ 34,845,000	$ -	$ (3,115,000)	$ 31,730,000	$ 3,455,000
2024 bond premium	3,856,048	-	(417,392)	3,438,656	343,790
Notes Payable - WRURA	-	1,200,000	-	1,200,000	-
Compensated absences	2,178,919	197,777	-	2,376,696	396,111
Claims payable	490,867	308,436	(491,412)	307,891	307,891
SBITAs	406,931	-	(129,691)	277,240	132,236
Lease liabilities	477,101	-	(169,608)	307,493	181,945
Total	$ 42,254,866	$ 1,706,213	$ (4,323,103)	$ 39,637,976	$ 4,816,973
Urban Renewal Authority private placement:					
Series 2021 Bonds	$ 40,760,000	$ -	$ (740,000)	$ 40,020,000	$ 865,000
2021 Bond premium	6,276,947	-	(615,428)	5,661,519	604,798
Total	$ 47,036,947	$ -	$ (1,355,428)	$ 45,681,519	$ 1,469,798

6. Long-Term Debt (continued)

2024 Revenue Bonds

On October 10, 2024, the City issued $34,845,000 Sales and Use Tax Refunding and Improvement Bonds, Series 2024. Bond proceeds will be used to finance certain improvement projects. Interest accrues on the bonds at a 5% interest rate per annum and is payable annually on December 1, beginning on December 1, 2025. Annual principal payments are due on December 1, from 2025 through 2043.

Remaining debt service at December 31, 2025, was as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 3,455,000	$ 1,586,500	$ 5,041,500
2027	1,260,000	1,413,750	2,673,750
2028	1,140,000	1,350,750	2,490,750
2029	1,200,000	1,293,750	2,493,750
2030	1,260,000	1,233,750	2,493,750
2031-2043	23,415,000	8,990,000	32,405,000
Total	$ 31,730,000	$ 15,868,500	$ 47,598,500

Lease Liabilities

The City leases equipment and a building under noncancellable agreements that expire between 2025 and 2027. The lease liabilities were measured using a discount rate of 4.0%. The City used its incremental borrowing rate when the interest rate implicit in the lease could not be readily determined. The total future minimum lease payments for these leases are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 181,945	$ 8,925	$ 190,870
2027	125,548	1,876	127,424
Total	$ 307,493	$ 10,801	$ 318,294

SBITA Liabilities

The City subscribes to body-worn camera software under a noncancellable agreement that expires in 2028. The subscription liability was measured using a discount rate of 4.0%, which represents the City's estimated incremental borrowing rate at the commencement of the subscription term. The total future minimum subscription payments for this subscription is as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 132,237	$ 11,090	$ 143,327
2027	137,515	5,800	143,315
2028	7,488	300	7,788
Total	$ 277,240	$ 17,190	$ 294,430

6. Long-Term Debt (continued)

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, 2025, revenues of $4,362,924 were available to pay annual debt service of $1,713,700 in interest.

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

Year ending December 31,	Principal	Interest	Total
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	1,995,000	1,515,500	3,510,500
2030	2,165,000	1,415,750	3,580,750
2031-2035	13,230,000	5,467,900	18,697,900
2036-2040	18,890,000	2,421,600	21,311,600
Total	$ 40,020,000	$ 15,764,850	$ 55,784,850

Notes Payable to the Urban Renewal Authority

On August 5, 2025, the City entered into a loan agreement with the Wheat Ridge Urban Renewal Authority for $1,200,000 to finance the acquisition of property for the expansion of the City's Public Works facility. The loan is interest-free and is subject to annual appropriation. Principal payments of $240,000 are due annually beginning December 31, 2027 through December 31, 2031. The agreement may be extended by mutual written agreement for up to four additional one-year terms.

Year ending December 31,	Principal	Interest	Total
2027	$ 240,000	$ -	$ 240,000
2028	240,000	-	240,000
2029	240,000	-	240,000
2030	240,000	-	240,000
2031	240,000	-	240,000
Total	$ 1,200,000	$ -	$ 1,200,000

7. Interfund Activity

During the year ended December 31, 2025, the Next Chapter Bond Fund transferred $5,000,000 to the Capital Projects Fund to finance infrastructure and other capital improvement projects. The URA Projects Fund transferred $16,000 to the Public Art Fund for public art associated with the Youngfield Beautification Project. The Open Space Fund transferred $60,000 to the Public Art Fund to finance public art improvements associated with park and open space capital projects.

8. 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:

	2025	2024
Claims payable - January 1	$ 490,867	$ 302,244
Incurred claims and changes in estimated claims	(91,553)	270,047
Claims paid	(91,423)	(81,425)
Claims payable - December 31	$ 307,891	$ 490,867

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.

9. 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 2025, 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, 2025, the City's pension expense was $1,141,541 and employee contributions to the plan were $919,442, 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 2025, 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, 2025, the City's pension expense was $68,403 and employee contributions to the plan were $35,522, 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 2025, 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, 2025, the City's pension expense was $803,426 and employee contributions to the plan were $534,642, equal to the required contributions.

There were no material forfeitures reflected in pension expense during 2025 and no material employer contribution liabilities outstanding at December 31, 2025.

10. 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.

10. 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, 2025, the emergency reserve of $2,040,197 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. Expenditures financed by grants are subject to audit and review by the applicable grantor agencies. If expenditures are disallowed due to noncompliance with grant program requirements, the City may be required to reimburse the grantor agency. Management believes that any such disallowances, if any, would 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 a 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.

11. Encumbrances

The City utilizes encumbrance accounting in its governmental funds. Encumbrances are commitments related to unperformed contracts for goods or services and are used to assist in budgetary control. Open encumbrances at year end do not constitute expenditures or liabilities but are reported as a component of restricted, committed, or assigned fund balance, as appropriate. Outstanding encumbrances are reappropriated in the subsequent year in accordance with City policy.

As of December 31, 2025, the City had outstanding encumbrances in governmental funds totaling approximately $10,360,392, primarily related to transportation, drainage, sidewalk, and other capital improvement projects. These encumbrances are included in the classification of fund balance as assigned based on the nature and purpose of the underlying commitments.

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.

For the fiscal year ended December 31, 2025, the City abated sales and use tax pursuant to several tax abatement agreements for a total of $443,237. 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 these agreements is $13,926,465.

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, 2025, the Authority rebated property tax increment revenues and sales tax increment revenues for a total of $2,284,154. 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 $33,395,771.

City of Wheat Ridge

Required Supplementary Information

City of Wheat Ridge
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 37,361,167	$ 37,671,167	$ 39,707,500	$ 2,036,333
Licenses and permits	2,044,325	1,734,325	2,330,315	595,990
Intergovernmental	1,893,725	1,895,225	2,138,317	243,092
Charges for services	4,098,475	4,098,475	4,738,898	640,423
Fines and forfeitures	277,600	277,600	802,024	524,424
Investment income	850,000	850,000	1,992,778	1,142,778
Miscellaneous	621,948	620,448	689,269	68,821
Total Revenues	47,147,240	47,147,240	52,399,101	5,251,861
EXPENDITURES				
Current:				
General government	16,038,115	16,378,141	15,638,647	739,494
Economic development	1,188,902	1,188,902	1,137,395	51,507
Community development	2,862,055	3,329,422	3,219,487	109,935
Police	15,411,910	15,399,064	15,802,123	(403,059)
Public Works	4,163,811	4,217,124	3,694,880	522,244
Parks and recreation	8,008,787	8,007,231	7,277,591	729,640
Capital outlay	1,072,200	1,574,566	1,326,567	247,999
Debt Service:				
Principal	-	-	299,299	(299,299)
Interest	20,073	20,073	49,978	(29,905)
Total Expenditures	48,765,853	50,114,523	48,445,967	1,668,556
Excess (deficiency) of revenues over expenditures	(1,618,613)	(2,967,283)	3,953,134	6,920,417
OTHER FINANCING SOURCES AND (USES)				
Sales of capital assets	-	-	15,084	15,084
Total Other Financing Sources (Uses)	-	-	15,084	15,084
NET CHANGE IN FUND BALANCE	(1,618,613)	(2,967,283)	3,968,218	6,935,501
FUND BALANCES - BEGINNING OF YEAR	13,194,325	12,766,175	16,257,360	3,491,185
FUND BALANCES - END OF YEAR	$ 11,575,712	$ 9,798,892	$ 20,225,578	$ 10,426,686

City of Wheat Ridge
Open Space Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 3,402,434	$ 3,402,434	$ 3,640,097	237,663
Charges for services	700,000	700,000	505,089	(194,911)
Investment income	15,000	15,000	12,836	(2,164)
Miscellaneous	1,100,000	1,100,000	140,000	(960,000)
Total Revenues	5,217,434	5,217,434	4,298,022	(919,412)
EXPENDITURES				
Current:				
Parks and recreation	627,687	627,687	682,981	(55,294)
Capital outlay	4,721,063	8,978,676	7,262,547	1,716,129
Total Expenditures	5,348,750	9,606,363	7,945,528	1,660,835
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(131,316)	(4,388,929)	(3,647,506)	741,423
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(60,000)	(60,000)
NET CHANGE IN FUND BALANCE	(131,316)	(4,388,929)	(3,707,506)	681,423
FUND BALANCE, BEGINNING OF YEAR	1,604,551	5,062,143	5,062,143	-
FUND BALANCE, END OF YEAR	$ 1,473,235	$ 673,214	$ 1,354,637	$ 681,423

City of Wheat Ridge

Next Chapter Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes	$ 5,340,400	$ 5,340,400	$ 5,794,684	$ 454,284
Investment income	1,000,000	1,000,000	1,532,616	532,616
Total Revenues	6,340,400	6,340,400	7,327,300	986,900
EXPENDITURES				
Current:				
General government	1,020,337	3,182,300	1,060,172	2,122,128
Debt Service:				
Principal	3,125,000	3,125,000	3,115,000	10,000
Interest	1,917,025	1,917,025	1,926,154	(9,129)
Capital outlay	6,767,000	6,517,000	3,635,921	2,881,079
Total Expenditures	12,829,362	14,741,325	9,737,247	5,004,078
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,488,962)	(8,400,925)	(2,409,947)	5,990,978
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(5,000,000)	(5,000,000)
NET CHANGE IN FUND BALANCE	(6,488,962)	(8,400,925)	(7,409,947)	990,978
FUND BALANCE, BEGINNING OF YEAR	33,743,027	33,924,609	33,924,609	-
FUND BALANCE, END OF YEAR	$ 27,254,065	$ 25,523,684	$ 26,514,662	$ 990,978

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 levels. In 2025, the expenditures of the Crime Prevention Fund exceeded appropriations, which may be a violation of State statute. 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.

In 2025, the component unit Urban Renewal Authority exceeded appropriations. 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.

City of Wheat Ridge

Other Supplementary Information

City of Wheat Ridge
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Municipal Court	Conservation Trust	Crime Prevention	Public Art	Equipment Replacement	Wheat Ridge Housing	Totals
ASSETS							
Cash and investments	$ 70,733	$ 513,548	$ 254,280	$ 517,377	$ 31,864	$ 200,727	$ 1,588,529
Accounts receivable	-	-	39,802	250,000	59,013	-	348,815
Total Assets	$ 70,733	$ 513,548	$ 294,082	$ 767,377	$ 90,877	$ 200,727	$ 1,937,344
LIABILITIES							
Accounts payable	$ 979	$ 40,616	$ 1,351	$ 135,000	$ 59,129	$ -	$ 237,075
Accrued liabilities	-	22,353	14,888	-	60,696	-	97,936
Total Liabilities	979	62,969	16,239	135,000	119,825	-	335,011
FUND BALANCES							
Restricted for:							
Open space and parks	-	364,725	-	-	-	-	364,725
Crime prevention activities	-	-	277,843	-	-	-	277,843
Committed to:							
Municipal court	69,754	-	-	-	-	-	69,754
Housing	-	-	-	-	-	200,727	200,727
Public art	-	-	-	414,327	-	-	414,327
Assigned to:							
Subsequent year's budget	-	85,854	-	218,050	-	-	303,904
Unassigned	-	-	-	-	(28,948)	-	(28,948)
Total Fund Balances	69,754	450,579	277,843	632,377	(28,948)	200,727	1,602,332
Total Liabilities and Fund Balances	$ 70,733	$ 513,548	$ 294,082	$ 767,377	$ 90,877	$ 200,727	$ 1,937,344

City of Wheat Ridge

Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Governmental Funds

Year Ended December 31, 2025

	Municipal Court	Conservation Trust	Crime Prevention	Public Art	Equipment Replacement	Wheat Ridge Housing	Totals
REVENUES							
Taxes	$ -	$ -	$ 555,105	$ 13,397	$ -	$ -	$ 568,502
Intergovernmental	-	383,221	-	-	122,814	-	506,035
Charges for services	-	-	-	5,831	-	-	5,831
Fines and forfeitures	7,561	-	3,592	-	-	-	11,153
Investment Income	1,883	54,720	2,970	9,049	5,255	108	73,985
Total Revenues	9,444	437,941	561,667	28,277	128,069	108	1,165,506
EXPENDITURES							
Current:							
General Government	11,980	-	-	-	37,853	125,503	175,336
Police	-	-	923,185	-	-	-	923,185
Capital Outlay	-	561,942	-	162,750	706,611	-	1,431,303
Total Expenditures	11,980	561,942	923,185	162,750	744,464	125,503	2,529,824
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,536)	(124,001)	(361,518)	(134,473)	(616,395)	(125,395)	(1,364,318)
OTHER FINANCING USES							
Transfers in	-	-	-	76,000	-	-	76,000
NET CHANGES IN FUND BALANCES	(2,536)	(124,001)	(361,518)	(58,473)	(616,395)	(125,395)	(1,288,318)
FUND BALANCES, BEGINNING OF YEAR	72,290	574,580	639,361	690,850	587,447	326,122	2,890,650
FUND BALANCES, END OF YEAR	$ 69,754	$ 450,579	$ 277,843	$ 632,377	$ (28,948)	$ 200,727	$ 1,602,332

City of Wheat Ridge
Municipal Court Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Fines and forfeitures	$ 7,300	$ 7,300	$ 7,561	$ 261
Investment income	2,500	2,500	1,883	(617)
Total Revenues	9,800	9,800	9,444	(356)
EXPENDITURES				
Current:				
General government	16,550	24,691	11,980	12,711
Total Expenditures	16,550	24,691	11,980	12,711
NET CHANGE IN FUND BALANCE	(6,750)	(14,891)	(2,536)	12,355
Fund Balance -Beginning of Year	59,366	72,290	72,290	-
FUND BALANCE - END OF YEAR	$ 52,616	$ 57,399	$ 69,754	$ 12,355

City of Wheat Ridge
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 425,000	$ 485,735	$ 383,221	$ (102,514)
Investment income	25,187	25,187	54,720	29,533
Total Revenues	450,187	510,922	437,941	(72,981)
EXPENDITURES				
Current:				
Capital outlay	500,530	859,216	561,942	297,274
Total Expenditures	500,530	859,216	561,942	297,274
NET CHANGE IN FUND BALANCE	(50,343)	(348,294)	(124,001)	224,293
Fund Balance -Beginning of Year	213,018	574,580	574,580	-
FUND BALANCE - END OF YEAR	$ 162,675	$ 226,286	$ 450,579	$ 224,293

City of Wheat Ridge

Crime Prevention Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Lodgers taxes	$ 600,000	$ 600,000	$ 555,105	$ (44,895)
Fines and forfeitures	6,000	6,000	3,592	(2,408)
Investment income	3,500	3,500	2,970	(530)
Total Revenues	609,500	609,500	561,667	(47,833)
EXPENDITURES				
Current:				
Police	852,048	852,048	923,185	(71,137)
Total Expenditures	852,048	852,048	923,185	(71,137)
NET CHANGE IN FUND BALANCE	(242,548)	(242,548)	(361,518)	(118,970)
Fund Balance -Beginning of Year	588,415	588,415	639,361	50,946
FUND BALANCE - END OF YEAR	$ 345,867	$ 345,867	$ 277,843	$ (68,024)

City of Wheat Ridge

Public Art Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Use taxes	$ 20,000	$ 20,000	$ 13,397	$ (6,603)
Charges for services	5,100	5,100	5,831	731
Investment income	10,500	10,500	9,049	(1,451)
Total Revenues	35,600	35,600	28,277	(7,323)
EXPENDITURES				
Current:				
Capital outlay	222,742	687,992	162,750	525,242
Total Expenditures	222,742	687,992	162,750	525,242
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(187,142)	(652,392)	(134,473)	517,919
OTHER FINANCING SOURCES (USES)				
Transfers in	222,742	222,742	76,000	146,742
NET CHANGE IN FUND BALANCE	35,600	(429,650)	(58,473)	371,177
FUND BALANCE, BEGINNING OF YEAR	381,399	690,850	690,850	-
FUND BALANCE, END OF YEAR	$ 416,999	$ 261,200	$ 632,377	$ 371,177

City of Wheat Ridge
Equipment Replacement Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 327,461	$ 327,461	$ 122,814	$ (204,647)
Investment income	6,500	6,500	5,255	(1,245)
Total Revenues	333,961	333,961	128,069	(205,892)
EXPENDITURES				
Current:				
General Government	50,000	67,300	37,853	29,447
Capital outlay	858,813	858,813	706,611	152,202
Total Expenditures	908,813	926,113	744,464	181,649
NET CHANGE IN FUND BALANCE	(574,852)	(592,152)	(616,395)	(24,243)
FUND BALANCE, BEGINNING OF YEAR	667,028	587,447	587,447	-
FUND BALANCE, END OF YEAR	$ 92,176	$ (4,705)	$ (28,948)	$ (24,243)

City of Wheat Ridge
Wheat Ridge Housing Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment income	$ 200	$ 200	$ 108	$ (92)
Total Revenues	200	200	108	(92)
EXPENDITURES				
General government	178,164	184,344	125,503	58,841
Total Expenditures	178,164	184,344	125,503	58,841
NET CHANGE IN FUND BALANCE	(177,964)	(184,144)	(125,395)	58,749
FUND BALANCE, BEGINNING OF YEAR	285,987	326,122	326,122	-
FUND BALANCE, END OF YEAR	$ 108,023	$ 141,978	$ 200,727	$ 58,749

City of Wheat Ridge

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Lodgers taxes	$ 450,000	$ 450,000	$ 368,228	$ (81,772)
Intergovernmental	6,800,000	6,800,000	6,698,163	(101,837)
Charges for services	40,000	40,000	103,180	63,180
Investment income	7,500	7,500	6,127	(1,373)
Miscellaneous	-	-	374	374
Total Revenues	7,297,500	7,297,500	7,176,072	(121,428)
EXPENDITURES				
Public works	-	-	221,425	(221,425)
Capital outlay	12,443,000	19,794,795	12,482,313	7,312,482
Total Expenditures	12,443,000	19,794,795	12,703,738	7,091,057
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,145,500)	(12,497,295)	(5,527,666)	6,969,629
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	1,200,000	(1,200,000)
Transfers in	-	-	5,000,000	5,000,000
NET CHANGE IN FUND BALANCE	(5,145,500)	(12,497,295)	672,334	13,169,629
FUND BALANCE, BEGINNING OF YEAR	7,062,776	7,062,776	5,538,103	(1,524,673)
FUND BALANCE, END OF YEAR	$ 1,917,276	$ (5,434,519)	$ 6,210,437	$ 11,644,956

City of Wheat Ridge
URA Projects Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental	$ 12,275,374	$ 12,275,374	$ 2,302,210	$ (9,973,164)
Miscellaneous	-	-	308,626	308,626
Total Revenues	12,275,374	12,275,374	2,610,836	(9,664,538)
EXPENDITURES				
Current:				
General government	-	714,482	267,222	447,260
Capital outlay	13,560,000	18,803,946	1,338,952	17,464,994
Total Expenditures	13,560,000	19,518,428	1,606,174	17,912,254
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,284,626)	(7,243,054)	1,004,662	8,247,716
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(16,000)	(16,000)
NET CHANGE IN FUND BALANCE	(1,284,626)	(7,243,054)	988,662	8,231,716
FUND BALANCE, BEGINNING OF YEAR	1,284,626	3,536,502	3,536,502	-
FUND BALANCE, END OF YEAR	$ -	$ (3,706,552)	$ 4,525,164	$ 8,231,716

City of Wheat Ridge
Component Unit - Urban Renewal Authority
Balance Sheet
December 31, 2025

ASSETS

Cash and investments	$	19,666,203
Restricted cash and investments		11,046,547
Accounts receivable		389,746
Property taxes receivable		5,856,380
Notes receivable		1,200,000
Total Assets	$	38,158,876

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

LIABILITIES		
Accounts payable		3,736,596
Total Liabilities		3,736,596
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue		93,187
Property taxes		5,856,380
Total Deferred Inflows of Resources		5,949,567
FUND BALANCE		
Restricted for debt service		3,066,281
Restricted for capital projects		7,980,266
Unassigned		17,426,166
Total Fund Balance		28,472,713
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$	38,158,876

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

Total fund balance of component unit	$	28,472,713
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in governmental funds.		4,749,886
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.		
Bonds payable		(40,020,000)
Bond premium		(5,661,519)
Accrued interest		(140,342)
Total Net Position of Component Unit	$	(12,599,262)

City of Wheat Ridge
Component Unit — Urban Renewal Authority
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2025

REVENUES	
Property tax increment	$ 4,362,924
Sales tax increment	692,318
Investment income	940,479
Miscellaneous	880
Total Revenues	5,996,601
EXPENDITURES	
Current:	
Community development	3,089,259
Public works	2,782,423
Debt service:	
Principal	740,000
Interest	1,717,200
Total Expenditures	8,328,882
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,332,281)
OTHER FINANCING SOURCES (USES)	
Transfers	(1,808,588)
Total Other Financing Sources (Uses)	(1,808,588)
NET CHANGE IN FUND BALANCE	(4,140,869)
Fund Balance - Beginning of Year	32,613,582
Fund Balance - End of Year	$ 28,472,713

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

Net Change in Fund Balance of Component Unit	$ (4,140,869)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(124,997)
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.	740,000
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.	629,660
Change in Net Position of Component Unit	$ (2,896,206)

City of Wheat Ridge
Component Unit — Urban Renewal Authority
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property tax increment	$ 5,355,000	$ 5,355,000	$ 4,362,924	$ (992,076)
Sales tax increment	545,000	545,000	692,318	147,318
Investment income	755,000	755,000	940,479	185,479
Miscellaneous	15,000	15,000	880	(14,120)
Total Revenues	6,670,000	6,670,000	5,996,601	(673,399)
EXPENDITURES				
Current:				
Community development	1,436,500	3,089,351	3,089,259	92
Capital outlay	2,075,870	2,878,924	2,782,423	96,501
Debt service:				
Principal	-	-	740,000	(740,000)
Interest	1,713,700	1,717,200	1,717,200	-
Total Expenditures	5,226,070	7,685,475	8,328,882	(643,407)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,443,930	(1,015,475)	(2,332,281)	(1,316,806)
OTHER FINANCING SOURCES (USES)				
Transfers to primary government	(7,885,374)	(7,885,374)	(1,808,588)	6,076,786
Total Other Financing Sources (Uses)	(7,885,374)	(7,885,374)	(1,808,588)	6,076,786
NET CHANGE IN FUND BALANCE	(6,441,444)	(8,900,849)	(4,140,869)	4,759,980
FUND BALANCE, BEGINNING OF YEAR	30,839,290	30,948,420	32,613,582	1,665,162
FUND BALANCE, END OF YEAR	$ 24,397,846	$ 22,047,571	$ 28,472,713	$ 6,425,142

City of Wheat Ridge

Compliance Section

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: City of Wheat Ridge	**PREPARED BY:** Mark Colvin mcolvin@wheatridge.gov	**REPORT YEAR ENDING** 12/2025

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. Total (1 - (2 through 4))				

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 Assesments	1,474,557.83	a. Interest on investments	458,085.69
b. Non-property Taxes and Assessments Imposts	10,834,614.26	b. Other Misc. Local Receipts	3,242,853.46
c. Total (a + b)	$ 12,309,172.09	**c. Total (a + b)**	$ 3,700,939.15

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	1,162,551.40	1. FHWA (from Item I.D.5.)	3,160,851.74
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	1,936,726.87		
c. Total (a + b)	$ 1,936,726.87		
4. Total (1 + 2 + 3c)	$ 3,099,278.27	**3. Total (1 + 2)**	$ 3,160,851.74

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	1,019,497.24
c. Construction Costs	11,898,518.79
d. Total Capital Outlay (a+ b + c)	$ 12,918,016.03

Form FHWA-536 (Rev. 02-2025) Page2

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		*III. EXPENDITURES FOR ROAD AND STREET PURPOSES*	
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
A. Receipts from Local Sources:		**A. Local highway expenditures:**	
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	$ 12,918,016.03
a. Motor Fuel (from Item I.A.1)		2. Maintenance:	4,658,228.90
b. Motor Vehicle (from Item I.B.1)		3. Road and Street Services:	
c. Total (a + b)		a. Snow and Ice Removal	70,325.33
2. General Fund Appropriations		b. Other & Traffic Control Operations	26,946.84
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 12,309,172.09	**c. Total (a + b)**	$ 97,272.17
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 3,700,939.15	4. General Administration & Miscellaneous	552,269.69
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety	4,288,601.58
6. Proceeds of Sale of Bonds and Notes:		**6. Total (1 through 5)**	$ 22,514,388.37
a. Bonds - Original Issues	1,399,839.62	**B. Debt Service on Local Obligations:**	
b. Bonds - Refunding Issues		1. Bonds:	
c. Notes		a. Interest	1,155,692.51
d. Total (a + b + c)	$ 1,399,839.62	b. Redemption	
7. Total (1 through 6)	$ 17,409,950.86	**c. Total (a + b)**	$ 1,155,692.51
B. Private Contributions		2. Notes:	
C. Receipts from State government (from page 1, Item II.C.4)	$ 3,099,278.27	a. Interest	
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 3,160,851.74	b. Redemption	
E. Total receipts (A.7 + B + C + D)	$ 23,670,080.87	**c. Total (a + b)**	$ -
		3. Total (1c + 2c)	$ 1,155,692.51
		C. Payments to State for Highways	
		D. Payments to Toll Facilities	
		E. Total Expenditures (A6 + B3 + C + D)	$ 23,670,080.87

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ 1,399,839.62	$ -	$ 1,399,839.62
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -

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 the City Council
City of 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 City of Wheat Ridge, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise City of Wheat Ridge, Colorado's basic financial statements, and have issued our report thereon dated September 4, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Wheat Ridge, Colorado'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 City of Wheat Ridge, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Wheat Ridge, Colorado's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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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.

Haynie

Littleton, Colorado
September 4, 2026

Haynie

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Wheat Ridge, Colorado's 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 City of Wheat Ridge, Colorado's major federal programs for the year ended December 31, 2025. City of Wheat Ridge, Colorado'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, City of Wheat Ridge, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

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; 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 City of Wheat Ridge, Colorado 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 City of Wheat Ridge, Colorado'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 City of Wheat Ridge, Colorado's federal programs.

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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 City of Wheat Ridge, Colorado'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 generally accepted auditing standards, *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 City of Wheat Ridge, Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 City of Wheat Ridge, Colorado'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 City of Wheat Ridge, Colorado'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 City of Wheat Ridge, Colorado'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.

Haynie

Littleton, Colorado
September 4, 2026

City of Wheat Ridge
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency/Program	Federal Assistance Listing Number	Pass-Through Entity Name	Passed-through to Subrecipients ($)	Amount
Highway Safety Cluster-Cluster				
Department of Transportation				
State and Community Highway Safety				
State and Community Highway Safety	20.600	Colorado Department of Transportation		$ 23,728
Total State and Community Highway Safety			-	23,728
National Priority Safety Programs				
National Priority Safety Programs	20.616	Colorado Department of Transportation		50,179
National Priority Safety Programs	20.616	Colorado Department of Transportation		5,089
Total National Priority Safety Programs			-	55,268
Total Department of Transportation				78,996
Total Highway Safety Cluster-Cluster				78,996
Other Programs (Treated individually for major program determination)				
United States Department of Agriculture				
Inflation Reduction Act Urban & Community Forestry Program				
Inflation Reduction Act Urban & Community Forestry Program	10.727	Urban Sustainability Directors Network		380,351
Total Inflation Reduction Act Urban & Community Forestry Program			-	380,351
Total United States Department of Agriculture				380,351
Department of the Interior				
Outdoor Recreation Acquisition, Development and Planning				
Outdoor Recreation Acquisition, Development and Planning	15.916	Colorado Department of Natural Resources		354,377
Total Outdoor Recreation Acquisition, Development and Planning			-	354,377
Total Department of the Interior				354,377
United States Department of Justice				
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Colorado Division of Criminal Justice		9,546
Total Edward Byrne Memorial Justice Assistance Grant Program			-	9,546
Total United States Department of Justice				9,546
Department of Transportation				
Highway Planning and Construction				
Highway Planning and Construction	20.205	Colorado Department of Transportation		462,235
Highway Planning and Construction	20.205	Colorado Department of Transportation		4,279,870
Highway Planning and Construction	20.205	Colorado Department of Transportation		7,435
Total Highway Planning and Construction			-	4,749,540
Total Department of Transportation				4,749,540
Small Business Administration				
Congressional Grants				
Congressional Grants	59.059	Small Business Administration	200,000	200,000
Total Congressional Grants				200,000
Total Small Business Administration				200,000
Executive Office of The President				
High Intensity Drug Trafficking Areas Program				
High Intensity Drug Trafficking Areas Program	95.001			18,178
Total High Intensity Drug Trafficking Areas Program			-	18,178
Total Executive Office of The President				18,178
Total Other Programs (Treated individually for major program determination)				5,711,992
Total Expenditures of Federal Awards			$ 200,000	$ 5,790,988

The accompanying notes are an integral part of this schedule

City of Wheat Ridge
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Notes to the Schedule

1. **Basis of Presentation**
   The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Wheat Ridge, Colorado under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City of Wheat Ridge, Colorado, it is not intended to and does not present the financial position or changes in net position of the City of Wheat Ridge, Colorado.

2. **Summary of Significant Accounting Policies**
   Expenditures reported on the Schedule are reported 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. **Indirect Cost Rate**
   City of Wheat Ridge, Colorado has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Wheat Ridge
Supplemental Information

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2025

1. **Summary of Auditors' Results**

Type of report issued on the financial statements:	**Unmodified**
Material weaknesses in financial reporting internal control noted:	**No**
Significant deficiencies identified that are not considered to be material weaknesses in financial reporting:	**None identified**
Material noncompliance noted:	**None**
Material weaknesses in internal control over major programs:	**None**
Significant deficiencies identified that are not considered to be material weaknesses over major programs:	**None identified**
Type of report issued on compliance for major programs:	**Unmodified**
Audit findings required to be reported:	**None**

The following programs are considered to be major:

Highway Planning and Construction – ALN 20.205

Dollar threshold used to distinguish Type A and Type B programs:	**$1,000,000**
Risk type qualification:	**Not low-risk**

2. **Findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.**

None

3. **Findings and questioned costs for Federal Awards**

None

4. **Summary Schedule of Prior Audit Findings**

2024 – 001: Financial Close and Reporting

Status: Corrective action implemented in 2025

Auditor Comment: During 2025, the City implemented more robust year-end review procedures, including improved tracking of accruals, receivables, and project reimbursements related to the City's financial records. Reconciliations of the City records were performed in a more timely and consistent manner.

No material misstatements related to WURA's accrual process are identified in 2025.