



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2017

STRATEGICALLY INVESTING IN OUR FUTURE



City of Wheat Ridge, Colorado

**Financial Statements
with Independent Auditors' Report**

December 31, 2017

City of Wheat Ridge, Colorado

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City of Wheat Ridge, Colorado

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Introductory Section

City of Wheat Ridge, Colorado

City Officials
December 31, 2017

MAYOR

Bud Starker

CITY COUNCIL

District 1

Monica Duran
Janeece Hoppe

District 2

Zachary Urban
Kristi Davis

District 3

George Pond
Tim Fitzgerald

District 4

Leah Dozeman
Larry Mathews

CITY CLERK

Janelle Shaver

MUNICIPAL JUDGE

Christopher Randall

CITY TREASURER

Jerry DiTullio

CITY ATTORNEY

Gerald Dahl

CITY MANAGER

Patrick Goff

DIRECTOR OF ADMINISTRATIVE SERVICES

Heather Geyer

DIRECTOR OF COMMUNITY DEVELOPMENT

Kenneth Johnstone

DIRECTOR OF PARKS & RECREATION

Joyce Manwaring

DIRECTOR OF PUBLIC WORKS

Scott Brink

CHIEF OF POLICE

Daniel G. Brennan

HUMAN RESOURCES MANAGER

Tamara Dixon

PURCHASING AND CONTRACTING AGENT

Jennifer Nellis

Financial Section



Independent Auditors' Report

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

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 as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Wheat Ridge, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wheat Ridge as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wheat Ridge's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Hick & Company, PC

Greenwood Village, Colorado
September 12, 2018



Management's Discussion and Analysis

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, 2017. 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 at the close of fiscal year 2017 by \$82.4 million (net position). Of this amount, \$12.6 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of fiscal year 2017, the City of Wheat Ridge's governmental funds reported combined ending fund balances of \$51.2 million, an increase of approximately \$37.9 million compared to the prior year. Nearly all of the increase is attributable to \$33.3 million in Sales and Use Tax Revenue Bonds proceeds and \$4.2 million in increased sales tax revenue related to the 2016 ballot initiative "Investing 4 the Future" which authorized the issuance of the bonds and increased the City's sales tax rate $\frac{1}{2}$ of 1 %. Approximately \$9.4 million (18%), is available for spending at the City's discretion (unrestricted, unassigned fund balance).
- At the end of the fiscal year 2017, unrestricted, unassigned fund balance for the General Fund was \$9.4 million, or 31% of total General Fund expenditures.
- General Fund actual revenues were \$2.5 million greater than final budgeted revenue for the fiscal year 2017 and actual expenditures were \$2.9 million less than final budgeted expenditures.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the City of Wheat Ridge's net position changed during fiscal year 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

The City has one type of fund:

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

Financial Analysis of the City as a Whole

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wheat Ridge, assets exceeded liabilities by \$82,362,545 at the close of the 2017 fiscal year.

By far the largest portion of the City of Wheat Ridge's net position (80%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City of

Wheat Ridge uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City of Wheat Ridge’s net position (4%) represents resources that are subject to external restrictions on how they may be used (open space and parks, police investigations, crime prevention activities, government access channel and emergency reserves). The remaining balance of unrestricted net position (\$12,629,012) may be used to meet the City’s obligations to citizens and creditors.

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

City of Wheat Ridge Net Position

	Governmental Activities	
	2017	2016
Current and other assets	\$54,132,546	\$16,091,037
Capital assets	\$63,769,150	\$63,566,729
Total assets	\$117,901,696	\$79,657,766
Long-term liabilities outstanding	\$32,519,243	\$2,489,504
Other liabilities	\$1,997,774	\$1,937,746
Total liabilities	\$34,517,017	\$4,427,250
Deferred Inflows of Resources	\$1,022,134	\$853,230
Net Position:		
Net Investment in Capital Assets	\$66,145,851	\$62,821,162
Restricted	\$3,587,682	\$4,054,765
Unrestricted	\$12,629,012	\$7,501,359
Total net position	\$82,362,545	\$74,377,286

Changes in Net Position

Governmental activities.

- Current and other assets increased by 236% primarily due to the proceeds from the issuance of Sales and Use Tax Revenue Bonds and the impact of the increase in the City’s sales tax rate by ½ of 1 %.
- Long-term liabilities increased substantially due to the issuance of Sales and Use Tax Revenue Bonds.
- Governmental Activities increased the City’s total net position by \$7,985,259. This increase is primarily due to a ½ of 1 % increase in the sales and use tax rate.
- Unrestricted net position increased by 68% in 2017 as a result of the increase in sales and use tax rate by ½ of 1 %.

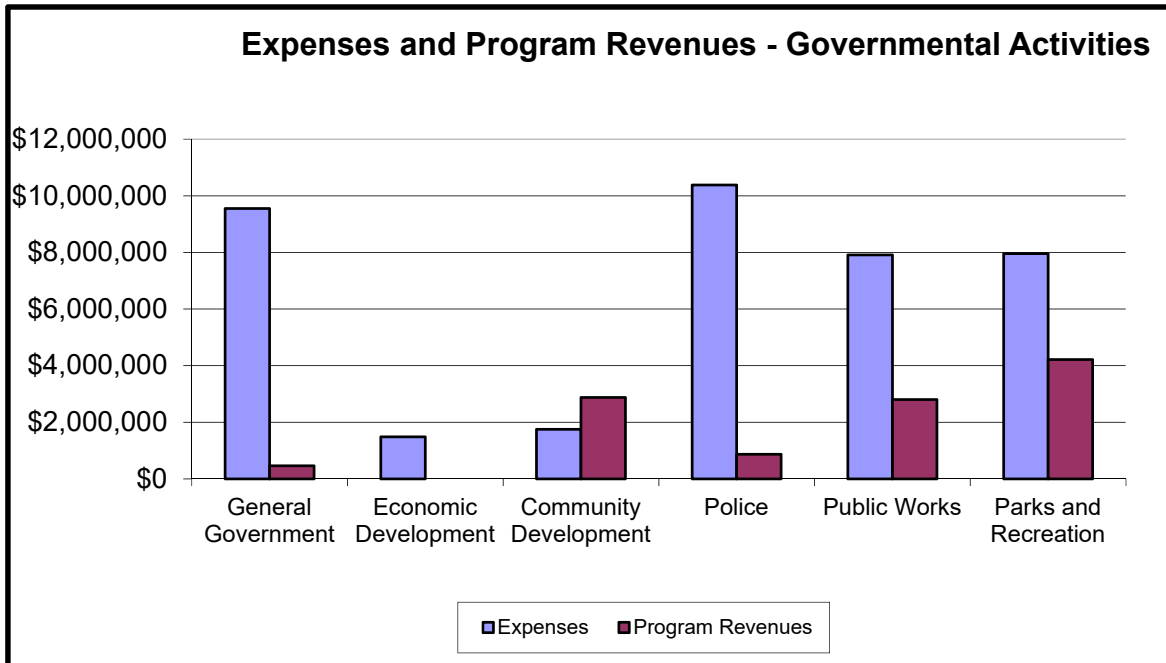
City of Wheat Ridge Changes in Net Position

	2017	2016
Revenues		
Program Revenues		
Charges for services	\$6,977,693	\$5,319,148
Operating grants and contributions	\$1,859,292	\$1,829,402
Capital grants and contributions	\$2,391,449	\$2,858,207
General Revenues		
Property taxes	\$854,613	\$848,612
Sales taxes	\$22,563,618	\$19,302,347
Use taxes	\$6,647,544	\$3,263,930
Franchise taxes	\$1,610,102	\$1,587,707
Lodgers taxes	\$1,610,990	\$1,455,456
Other taxes	\$685,520	\$605,265
Investment income	\$308,805	\$138,379
Insurance proceeds	\$1,769,836	\$0
Miscellaneous	<u>\$414,169</u>	<u>\$476,943</u>
Total revenues	\$47,693,631	\$37,685,396
Expenses		
General Government	\$9,551,427	\$9,522,273
Economic Development	\$1,486,581	\$1,512,403
Community Development	\$1,753,644	\$1,157,032
Police	\$10,383,862	\$10,352,011
Public Works	\$7,910,108	\$7,431,154
Parks and Recreation	\$7,960,611	\$8,630,099
Interest on Long-Term Debt	<u>\$662,139</u>	<u>\$45,175</u>
Total expenses	<u>\$39,708,372</u>	<u>\$38,650,147</u>
Change in net position	\$7,985,259	(\$964,751)
Net position, beginning	<u>\$74,377,286</u>	<u>\$75,342,037</u>
Net position, ending	\$82,362,545	\$74,377,286

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

- Total revenues increased by 27% compared to 2016. This increase is mostly attributable to the ½ of 1 % increase in the sales and use tax rate, interest earnings from investing bond issuance proceeds and insurance proceeds and fees related to hailstorm claims.
- Capital grants and contributions decreased by 16% primarily due to the Kipling Trail project winding down in 2017 and one-time contribution from RTD for Tabor St. improvements at the Gold Line Station.
- Sales taxes increased by 17% compared to 2016 due in large part to the Investing 4 the Future Ballot 2E Initiative which increased the City's sales tax rate ½ of 1 % to 3.5%.

- Use tax increased by 104 % compared to 2016 due to a significant increase in building activity caused by the May 2017 hailstorm.
- Investment income increased by 123% over 2016 primarily due to interest income earned from investing the proceeds of the bond issuance but also due to the reinvestment of funds in higher interest bearing accounts.
- Community Development expenditures increased by 52% in 2017 primarily due to increased building inspection contractual services to respond to the May 2017 hailstorm.



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 2017, the City of Wheat Ridge’s governmental funds reported combined ending fund balances of \$51.2 million, an increase of \$37.9 million in comparison with the prior year. Approximately 18% of this total amount (\$9.4 million) constitutes unrestricted, 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 for:

- Developer Loan Receivable - Fruitdale \$2,585,000
- Urban Renewal Authority – 38th & Yukon \$20,000

- Prepaid expenditures \$10,521
- Capital Projects – Investing 4 the Future \$33,403,756
- Open space and parks \$1,292,553
- Police Investigations Fund \$68,755
- Crime Prevention Activities Fund \$477,685
- Government Access Channel \$248,689
- TABOR-mandated emergency reserves \$1,500,000

or committed to:

- Municipal Court Fund \$96,616
- Recreation Center Fund \$497,691
- Public Art Fund \$101,883

or assigned to:

- Capital Projects Fund \$1,153,773
- Capital Equipment Replacement Fund \$307,923

The General Fund is the chief operating fund of the City of Wheat Ridge. At the end of fiscal year 2017, unrestricted, unassigned fund balance of the General Fund was \$9.4 million, while total General Fund balance reached approximately \$13.8 million. As a measure of the General Fund’s liquidity, it may be useful to compare both unrestricted, unassigned fund balance and total fund balance to total fund expenditures. Unrestricted, unassigned fund balance represents 31% of total General Fund expenditures, while total fund balance represents 46% of that same amount.

There were notable fund balance changes in several funds at the end of fiscal year 2017:

- The Open Space Fund realized a decrease in fund balance of \$1 million which is primarily due to an increase in expenditures; revenues were constant. While the increase in expenditures is related to a number of ongoing park and recreational facility projects, the most notable is Prospect Park.
- From the proceeds of the revenue bonds, the Investing 4 the Future Fund was established. Additional revenues were realized from the impact of the ½ of 1 % sales and use tax rate increase. Expenditures included the cost of the revenue bond issuance, the annual principal payment, one semi-annual interest payment and other debt service costs.

General Fund Budgetary Highlights

The original budget was amended by City Council for a total of \$1,778,902 in supplemental budget appropriations throughout the 2017 fiscal year. These amendments can be briefly summarized as follows:

Supplemental Budget Appropriations: Organized from largest to smallest expenditure

- \$963,658 allocated for third-party on-call permit inspections, plan review and other support services
- \$350,000 allocated for hailstorm repairs to city facilities and vehicles
- \$290,244 allocated for re-encumbrance of 2016 encumbered funds
- \$120,000 allocated for replacing 30 pedestrian lights on 38th Ave. damaged by the hailstorm
- \$50,000 allocated to fund the Wheat Ridge Business District Façade Plus Grant Program
- \$5,000 allocated to accept a grant for cardio fitness equipment in Hayward Park

During the 2017 fiscal year, unrestricted, unassigned fund balance in the General Fund increased to \$9.4 million, an increase of \$3.1 million from the previous year. The increase is attributable to hailstorm insurance proceeds coupled with a decrease in transfers to the Capital Projects Fund compared to prior years.

The 2017 General Fund budget was adopted without using any of the fund balance to balance the budget. However, the final budget allocated \$2,000,000 of the fund balance to the Capital Projects Fund for capital improvements and \$100,000 to the Equipment Replacement Fund.

Capital Asset and Debt Administration

Capital assets. The City of Wheat Ridge’s investment in capital assets for its governmental activities as of December 31, 2017 amounts to \$63.8 million (net of accumulated depreciation). This investment in capital assets includes land, artwork, construction in progress, land improvements, buildings, vehicles, machinery and equipment, infrastructure, software and solar power capacity.

Major capital asset events during the 2017 fiscal year totaled \$4.1 million and included the following:

- Land and Land Improvements in the amount of \$663,820
 - Clear Creek Trail Shelter
 - Gold Line Ward Station TOD Vision Plan
 - Right of Way Acquisitions
- Construction in Progress in the amount of \$2.9 million
 - Prospect Park
 - Wadsworth widening project
 - Clear Creek trail improvements
 - Clear Creek Crossing I-70 hook ramps
- Vehicles in the amount of \$437,566
 - One Public Works Dump Truck
 - One Public Works Extended Cab 4x4 Truck
 - One Parks passenger bus for Active Adult Center

- One Police investigations hybrid passenger car
- One Police administrative hybrid passenger car
- Four Police patrol cars
- Machinery and Equipment in the amount of \$380,118
 - Recreation center fitness equipment
 - Computers, servers and peripherals
 - Traffic control cabinets and other traffic control system equipment
 - Variable message sign and trailer
- Software of \$139,800
 - Integrated GIS, Enterprise Asset Management System

City of Wheat Ridge’s Capital Assets
(net of depreciation)

	2017	2016
Land	\$16,083,432	\$15,816,713
Artwork	\$113,295	\$113,295
Construction in Progress	\$5,166,001	\$2,660,107
Land improvements	\$9,664,524	\$9,973,313
Buildings	\$11,028,853	\$11,687,046
Vehicles	\$1,999,563	\$1,877,309
Machinery and equipment	\$2,860,479	\$2,948,889
Infrastructure	\$16,047,400	\$17,772,005
Software	\$135,761	\$9,379
Solar Power Capacity	<u>\$669,842</u>	<u>\$708,673</u>
Total Capital Assets	\$63,769,150	\$63,566,729

Long-term debt. At the end of the 2017 fiscal year, the City of Wheat Ridge had total long-term debt outstanding of \$32,519,243. Of this amount, \$2,872,477 is due within one year. This total debt represents future bond principal and interest payments payable from the Investing 4 the Future Fund sales and use tax, and compensated absences, claims payable, and lease payments for solar panels, which are expected to be liquidated primarily with revenues of the General Fund. Additional information for long-term debt is provided in Note 5 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

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

The adopted 2018 fiscal year budget is \$65.6 million. It includes a \$34.2 million operating budget, a \$17.4 million Investing 4 the Future capital projects budget, a \$6.5 million CIP budget and \$7.5 million for special revenue budgets.

Requests for Information

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

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

Basic Financial Statements

City of Wheat Ridge, Colorado

Statement of Net Position

December 31, 2017

	Primary Government	Component Unit
	Governmental Activities	Urban Renewal Authority
Assets		
Cash and Investments	\$ 12,721,954	\$ 1,320,952
Restricted Cash and Investments	33,499,753	-
Accounts Receivable	3,503,628	-
Property Taxes Receivable	1,022,134	395,543
Intergovernmental Receivables	759,827	-
Accrued Interest Receivable	9,729	-
Loans Receivable	2,585,000	-
Prepaid Expenses	10,521	-
Due from Component Unit/Primary Government	20,000	119,449
Property Held for Resale	-	330,299
Capital Assets, <i>Not Being Depreciated</i>	21,362,728	-
Capital Assets, <i>Net of Accumulated Depreciation</i>	42,406,422	-
	<u>117,901,696</u>	<u>2,166,243</u>
Liabilities		
Accounts Payable	1,063,720	158,049
Accrued Liabilities	485,075	-
Retainage Payable	79,794	-
Refundable Deposits	149,688	-
Unearned Revenues	7,940	-
Accrued Interest Payable	92,108	-
Due to Component Unit/Primary Government	119,449	20,000
Noncurrent Liabilities		
Due Within One Year	2,872,477	280,000
Due in More Than One Year	29,646,766	1,525,000
	<u>34,517,017</u>	<u>1,983,049</u>
Deferred Inflows of Resources		
Property Taxes	1,022,134	395,486
	<u>1,022,134</u>	<u>395,486</u>
Net Position		
Net Investment in Capital Assets	66,145,851	-
Restricted for:		
Open Space and Parks	1,292,553	-
Police Investigations	68,755	-
Crime Prevention Activities	477,685	-
Government Access Channel	248,689	-
Emergencies	1,500,000	-
Unrestricted	12,629,012	(212,292)
	<u>12,629,012</u>	<u>(212,292)</u>
Total Net Position	<u>\$ 82,362,545</u>	<u>\$ (212,292)</u>

See Notes to Financial Statements.

City of Wheat Ridge, Colorado
Statement of Activities
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Urban Renewal Authority
Primary Government						
<i>Governmental Activities</i>						
General Government	\$ 9,551,427	\$ 344,336	\$ 118,108	\$ -	\$ (9,088,983)	\$ -
Economic Development	1,486,581	-	-	-	(1,486,581)	-
Community Development	1,753,644	2,876,524	-	-	1,122,880	-
Police	10,383,862	721,656	151,095	-	(9,511,111)	-
Public Works	7,910,108	262,735	1,590,089	949,091	(5,108,193)	-
Parks and Recreation	7,960,611	2,772,442	-	1,442,358	(3,745,811)	-
Interest and Fiscal Charges	662,139	-	-	-	(662,139)	-
Total Primary Government	\$ 39,708,372	\$ 6,977,693	\$ 1,859,292	\$ 2,391,449	(28,479,938)	-
<i>Component Unit</i>						
Urban Renewal Authority	\$ 842,393	\$ -	\$ 802,936	\$ -	-	(39,457)
General Revenues						
					854,613	319,541
					22,563,618	-
					6,647,544	-
					1,610,102	-
					1,610,990	-
					685,520	-
					308,805	850
					1,769,836	-
					414,169	151,701
					36,465,197	472,092
Change in Net Position					7,985,259	432,635
Net Position, Beginning of year					74,377,286	(644,927)
Net Position, End of year					\$ 82,362,545	\$ (212,292)

City of Wheat Ridge, Colorado

Balance Sheet Governmental Funds December 31, 2017

	General	Open Space	Capital Projects	Investing 4 the Future	Other Governmental Funds	Totals
Assets						
Cash and Investments	\$ 8,632,376	\$ 845,054	\$ 921,449	\$ -	\$ 2,323,075	\$ 12,721,954
Restricted Cash and Investments	-	-	-	33,499,753	-	33,499,753
Accounts Receivable	3,165,551	-	324,804	-	13,273	3,503,628
Property Taxes Receivable	1,022,134	-	-	-	-	1,022,134
Intergovernmental Receivables	329,705	430,122	-	-	-	759,827
Accrued Interest Receivable	2,376	3,504	2,812	-	1,037	9,729
Loans Receivable	2,585,000	-	-	-	-	2,585,000
Prepaid Expenditures	10,521	-	-	-	-	10,521
Due from Component Unit	20,000	-	-	-	-	20,000
Total Assets	<u>\$ 15,767,663</u>	<u>\$ 1,278,680</u>	<u>\$ 1,249,065</u>	<u>\$ 33,499,753</u>	<u>\$ 2,337,385</u>	<u>\$ 54,132,546</u>
Liabilities						
Accounts Payable	\$ 237,136	\$ 408,938	\$ 95,292	\$ 95,997	\$ 226,357	\$ 1,063,720
Accrued Liabilities	427,205	9,155	-	-	48,715	485,075
Retainage Payable	-	79,794	-	-	-	79,794
Refundable Deposits	149,688	-	-	-	-	149,688
Unearned Revenues	7,940	-	-	-	-	7,940
Due to Component Unit	119,449	-	-	-	-	119,449
Total Liabilities	<u>941,418</u>	<u>497,887</u>	<u>95,292</u>	<u>95,997</u>	<u>275,072</u>	<u>1,905,666</u>
Deferred Inflows of Resources						
Property Taxes	1,022,134	-	-	-	-	1,022,134
Fund Balances						
Nonspendable						
Loans Receivable	2,585,000	-	-	-	-	2,585,000
Prepaid Expenditures	10,521	-	-	-	-	10,521
Due from Component Unit	20,000	-	-	-	-	20,000
Restricted for:						
Capital Projects	-	-	-	33,403,756	-	33,403,756
Open Space and Parks	-	780,793	-	-	511,760	1,292,553
Police Investigations	-	-	-	-	68,755	68,755
Crime Prevention Activities	-	-	-	-	477,685	477,685
Government Access Channel	248,689	-	-	-	-	248,689
Emergencies	1,500,000	-	-	-	-	1,500,000
Committed to:						
Municipal Court	-	-	-	-	96,616	96,616
Recreation Center	-	-	-	-	497,691	497,691
Public Art	-	-	-	-	101,883	101,883
Assigned to:						
Capital Projects	-	-	1,153,773	-	-	1,153,773
Equipment Replacement	-	-	-	-	307,923	307,923
Unrestricted, Unassigned	9,439,901	-	-	-	-	9,439,901
Total Fund Balances	<u>13,804,111</u>	<u>780,793</u>	<u>1,153,773</u>	<u>33,403,756</u>	<u>2,062,313</u>	<u>51,204,746</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,767,663</u>	<u>\$ 1,278,680</u>	<u>\$ 1,249,065</u>	<u>\$ 33,499,753</u>	<u>\$ 2,337,385</u>	<u>\$ 54,132,546</u>

City of Wheat Ridge, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2017

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

Total Fund Balances of Governmental Funds	\$ 51,204,746
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	63,769,150
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	(27,795,000)
Bond Premium	(2,524,226)
Capital Lease Payable	(707,829)
Accrued Compensated Absences	(1,139,472)
Claims Payable	(352,716)
Accrued Interest Payable	<u>(92,108)</u>
Total Net Position of Governmental Activities	<u>\$ 82,362,545</u>

City of Wheat Ridge, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2017

	General	Open Space	Capital Projects	Investing 4 the Future	Other Governmental Funds	Totals
Revenues						
Taxes	\$ 28,998,755	\$ -	\$ 321,613	\$ 4,157,932	\$ 494,087	\$ 33,972,387
Licenses and Permits	2,804,721	-	-	-	-	2,804,721
Intergovernmental	1,859,292	1,442,358	435,304	-	309,288	4,046,242
Charges for Services	1,414,284	9,989	58,860	-	2,104,898	3,588,031
Fines and Forfeitures	540,493	-	-	-	44,448	584,941
Investment Income	29,109	6,449	9,312	251,405	12,530	308,805
Miscellaneous	401,669	-	-	-	12,500	414,169
Total Revenues	<u>36,048,323</u>	<u>1,458,796</u>	<u>825,089</u>	<u>4,409,337</u>	<u>2,977,751</u>	<u>45,719,296</u>
Expenditures						
Current						
General Government	9,230,611	-	-	522,290	12,012	9,764,913
Economic Development	1,486,581	-	-	-	-	1,486,581
Community Development	1,750,877	-	-	-	-	1,750,877
Police	9,692,931	-	-	-	502,495	10,195,426
Public Works	4,146,585	-	-	-	-	4,146,585
Parks and Recreation	3,637,907	2,460,388	-	-	2,608,150	8,706,445
Capital Outlay	-	-	2,819,870	-	150,292	2,970,162
Debt Service						
Principal	37,738	-	-	2,800,000	-	2,837,738
Interest	42,429	-	-	690,455	-	732,884
Debt Issuance Costs	-	-	-	274,915	-	274,915
Total Expenditures	<u>30,025,659</u>	<u>2,460,388</u>	<u>2,819,870</u>	<u>4,287,660</u>	<u>3,272,949</u>	<u>42,866,526</u>
Excess of Revenues Over (Under) Expenditures	<u>6,022,664</u>	<u>(1,001,592)</u>	<u>(1,994,781)</u>	<u>121,677</u>	<u>(295,198)</u>	<u>2,852,770</u>
Other Financing Sources (Uses)						
Insurance Proceeds	1,769,836	-	-	-	-	1,769,836
Bonds Issued	-	-	-	30,595,000	-	30,595,000
Bond Premium	-	-	-	2,687,079	-	2,687,079
Transfers In	-	-	2,000,000	-	100,000	2,100,000
Transfers Out	(2,100,000)	-	-	-	-	(2,100,000)
Total Other Financing Sources (Uses)	<u>(330,164)</u>	<u>-</u>	<u>2,000,000</u>	<u>33,282,079</u>	<u>100,000</u>	<u>35,051,915</u>
Net Change in Fund Balances	5,692,500	(1,001,592)	5,219	33,403,756	(195,198)	37,904,685
Fund Balances, Beginning of year	<u>8,111,611</u>	<u>1,782,385</u>	<u>1,148,554</u>	<u>-</u>	<u>2,257,511</u>	<u>13,300,061</u>
Fund Balances, End of year	<u>\$ 13,804,111</u>	<u>\$ 780,793</u>	<u>\$ 1,153,773</u>	<u>\$ 33,403,756</u>	<u>\$ 2,062,313</u>	<u>\$ 51,204,746</u>

City of Wheat Ridge, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2017

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

Net Change in Fund Balances of Governmental Funds	\$ 37,904,685
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over the estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlays	3,922,699
Contributed Assets	204,499
Depreciation Expense	(3,922,962)
Loss on Disposal	(1,815)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Bonds Issued	(30,595,000)
Bond Premium	(2,687,079)
Amortization of Premium	162,853
<p>Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>	
Bond Payments	2,800,000
Capital Lease Payments	37,738
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This represents changes in the following.</p>	
Accrued Interest Payable	(92,108)
Compensated Absences	3,654
Claims Payable	248,095
Change in Net Position of Governmental Activities	\$ 7,985,259

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for the governmental funds. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

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

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

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.

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Assets, Liabilities and Net Position/Fund Balances

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

Prepaid Expenses - Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

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

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

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

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

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

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

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Compensated Absences - Employees of the City are allowed to accumulate unused vacation and sick time up to a maximum based on years of service. Upon termination of employment from the City, an employee will be compensated for all accrued vacation time at their current pay rate.

A long-term liability has been reported in the government-wide financial statements for the accrued vacation time.

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 straight-line method. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Governmental funds recognize long-term liabilities only when payment is due. Payments of long-term debt are reported as current expenditures. Debt issuance costs are reported as current expenses or expenditures.

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

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

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

Property Taxes

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

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 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 Police Investigation Special Revenue Fund.

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2017, follows:

Petty Cash	\$	3,950
Cash Deposits		14,116,337
Investments		<u>33,422,372</u>
Total	\$	<u>47,542,659</u>

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

Cash and Investments - Primary Government	\$	12,721,954
Restricted Cash and Investments - Primary Government		33,499,753
Cash and Investments - Component Unit		<u>1,320,952</u>
Total	\$	<u>47,542,659</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the City and the Authority had bank deposits of \$13,468,332 and \$853,576, respectively, collateralized with securities held by the financial institutions' agents but not in their name.

Investments

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

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 2: Cash and Investments (Continued)

Investments (Continued)

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, 2017:

Investment Type	S&P Rating	Investment Maturities (in years)		Total
		Less Than 1	1 - 5	
Brokered Certificates of Deposit	NA	\$ 737,815	\$ 1,670,020	\$ 2,407,835
Local Government Investment Pool	AAAm	<u>31,014,537</u>	—	<u>31,014,537</u>
Total		<u>\$ 31,752,352</u>	<u>\$ 1,670,020</u>	<u>\$ 33,422,372</u>

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

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

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

Local Government Investment Pool - At December 31, 2017, the City had \$31,014,537 invested in the Colorado Surplus Asset Fund Trust (CSAFE), 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. CSAFE operates in conformity with the Securities and Exchange Commission's Rule 2a-7. CSAFE is measured at the net asset value per share, with each share valued at \$1. CSAFE is rated AAAM by Standard and Poor's. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 2: Cash and Investments (Continued)

Legal Compliance

At December 31, 2017, the City owned certificates of deposits with balances totaling \$2,407,835 issued by banks not registered under the PDPA and/or not in the City's name. This may be a violation of State statutes and the City's investment policy.

Note 3: Loans Receivable

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

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

During 2013, the City loaned \$330,299 to the Authority to acquire a property for redevelopment. The loan is non-interest bearing. The loan balance is due upon sale of the redevelopment property. At December 31, 2017, the outstanding balance of the loan was \$20,000.

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2017, is summarized below.

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 15,816,713	\$ 266,719	\$ —	\$ 16,083,432
Artwork	113,295	—	—	113,295
Construction in Progress	<u>2,660,107</u>	<u>2,902,995</u>	<u>397,101</u>	<u>5,166,001</u>
Total Capital Assets, not being depreciated	<u>18,590,115</u>	<u>3,169,714</u>	<u>397,101</u>	<u>21,362,728</u>
Capital Assets, being depreciated				
Land Improvements	15,871,414	397,101	—	16,268,515
Buildings	23,158,742	—	—	23,158,742
Vehicles	5,588,507	437,566	683,274	5,342,799
Machinery and Equipment	7,458,614	380,118	13,764	7,824,968
Infrastructure	71,096,763	—	—	71,096,763
Software	224,120	139,800	—	363,920
Solar Power Capacity	<u>776,628</u>	<u>—</u>	<u>—</u>	<u>776,628</u>
Total Capital Assets, being depreciated	<u>124,174,788</u>	<u>1,354,585</u>	<u>697,038</u>	<u>124,832,335</u>
Less Accumulated Depreciation				
Land Improvements	(5,898,101)	(705,890)	—	(6,603,991)
Buildings	(11,471,696)	(658,193)	—	(12,129,889)
Vehicles	(3,711,198)	(315,312)	(683,274)	(3,343,236)
Machinery and Equipment	(4,509,725)	(466,713)	(11,949)	(4,964,489)
Infrastructure	(53,324,758)	(1,724,605)	—	(55,049,363)
Software	(214,741)	(13,418)	—	(228,159)
Solar Power Capacity	<u>(67,955)</u>	<u>(38,831)</u>	<u>—</u>	<u>(106,786)</u>
Total Accumulated Depreciation	<u>(79,198,174)</u>	<u>(3,922,962)</u>	<u>(695,223)</u>	<u>(82,425,913)</u>
Total Capital Assets, being depreciated, Net	<u>44,976,614</u>	<u>(2,568,377)</u>	<u>1,815</u>	<u>42,406,422</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,566,729</u>	<u>\$ 601,337</u>	<u>\$ 398,916</u>	<u>\$ 63,769,150</u>

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

General Government	\$ 374,234
Community Development	2,767
Police	188,436
Public Works	2,105,373
Parks and Recreation	<u>1,252,152</u>
Total	<u>\$ 3,922,962</u>

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2017.

	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Due Within One Year
Governmental Activities					
2017 Revenue Bonds	\$ —	\$ 30,595,000	\$ 2,800,000	\$ 27,795,000	\$ 2,400,000
2017 Bond Premium	—	2,687,079	162,853	2,524,226	—
Solar Power Capacity Lease	745,567	—	37,738	707,829	39,998
Compensated Absences	1,143,126	188,351	192,005	1,139,472	79,763
Claims Payable	600,811	—	248,095	352,716	352,716
Total	<u>\$ 2,489,504</u>	<u>\$ 33,470,430</u>	<u>\$ 3,440,691</u>	<u>\$ 32,519,243</u>	<u>\$ 2,872,477</u>
Urban Renewal Authority					
Loan Payable	<u>\$ 2,080,000</u>	<u>\$ —</u>	<u>\$ 275,000</u>	<u>\$ 1,805,000</u>	<u>\$ 280,000</u>

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

The bonds are payable solely from revenues generated by the 0.5% sales and use tax reported in the Investing 4 the Future Fund. During the year ended December 31, 2017, revenues of \$4,157,932 were available to pay annual debt service of \$3,490,455. Remaining debt service at December 31, 2017, was as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,400,000	\$ 1,105,300	\$ 3,505,300
2019	2,465,000	1,033,300	3,498,300
2020	2,565,000	934,700	3,499,700
2021	2,665,000	832,100	3,497,100
2022	2,720,000	778,800	3,498,800
2023 – 2027	<u>14,980,000</u>	<u>1,839,600</u>	<u>16,819,600</u>
Total	<u>\$ 27,795,000</u>	<u>\$ 6,523,800</u>	<u>\$ 34,318,800</u>

Solar Power Capacity Lease

On March 23, 2015, the City entered into an agreement to purchase solar power capacity in a community solar garden. The purchase was financed in April, 2015, with a lease agreement in the amount of \$800,000. Monthly payments of \$6,681, including principal and interest accruing at 5.75% per annum, are due under the agreement, beginning June 1, 2015, through May 1, 2030. At December 31, 2017, capital assets of \$669,842, net of accumulated depreciation, were reported under this lease.

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 5: Long-Term Debt (Continued)

Solar Power Capacity Lease (Continued)

Following is a schedule of the future minimum lease payments at December 31, 2017.

Year Ended December 31,

2018	\$	80,167
2019		80,167
2020		80,167
2021		80,167
2022		80,167
2023 - 2027		400,835
2028 - 2030		<u>193,737</u>
Total Minimum Lease Payments		995,407
Less: Interest Portion		<u>(287,578)</u>
Present Value of Minimum Lease Payments	\$	<u><u>707,829</u></u>

Compensated Absences

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

Urban Renewal Authority Loan

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

Future debt service to maturity is as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 280,000	\$ 57,038	\$ 337,038
2019	285,000	48,190	333,190
2020	295,000	39,184	334,184
2021	305,000	29,862	334,862
2022	315,000	20,224	335,224
2023	<u>325,000</u>	<u>10,270</u>	<u>335,270</u>
Total	<u>\$ 1,805,000</u>	<u>\$ 204,768</u>	<u>\$ 2,009,768</u>

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 6: Interfund Transactions

During the year ended December 31, 2017, the General Fund transferred \$2,000,000 and \$100,000 to the Capital Projects and Equipment Replacement Funds, respectively, to finance capital projects and to purchase additional equipment.

Note 7: Stewardship, Compliance and Accountability

Accountability

At December 31, 2017, the Authority had a negative net position of \$212,292. Management expects this deficit to be eliminated with future tax increment revenues.

Note 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; automobile, property and physical damage claims to a maximum of \$10,000; and workers compensation claims to a maximum of \$5,000 per occurrence. The City accounts for its risk management activities in the General Fund.

Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in claims payable for the years ended December 31, 2017 and 2016, were as follows:

	<u>2017</u>	<u>2016</u>
Claims Payable, January 1	\$ 600,811	\$ 146,617
Incurred Claims and Changes in Estimated Claims	(31,807)	487,833
Claims Paid	<u>(216,288)</u>	<u>(33,639)</u>
Claims Payable, December 31	<u>\$ 352,716</u>	<u>\$ 600,811</u>

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

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.

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 8: Risk Management (Continued)

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

Note 9: Retirement Commitments

Police 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). Employees are required to contribute 10% of their compensation to the Plan, and the City contributes 10%. Employees become vested in City contributions to the Plan at 20% annually, beginning in the third year of employment. The contribution requirements of Plan members and the City are established and may be amended by the City Council. During the year ended December 31, 2017, the City and employee contributions to the Plan were \$570,988 each, equal to the required contributions.

Department Head 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. Department heads are required to contribute 4% of their compensation to the Plan and the City contributes 5%, except for the City Manager for which the City contributes 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, 2017, the City and employee contributions to the Plan were \$51,929 and \$34,855, respectively, equal to the required contributions.

Employee 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. Employees are required to contribute 4% of their compensation to the Plan, and the City contributes 4%. 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, 2017, the City and employee contributions to the Plan were \$337,502 each, equal to the required contributions.

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 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.

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 expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$1,500,000 was reported as restricted fund balance in the General Fund.

Economic Development Incentive Agreements

The City may enter into economic development incentive agreements up to the State statutory limits without an election. The purposes of the agreements include providing tax rebate incentives to entice new retail business development within the City. The agreements require the City to reimburse certain businesses for 25% to 50% of the sales taxes generated by the businesses. During the year ended December 31, 2017, the City paid \$15,118 under these agreements.

Grant Programs

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2017, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

City of Wheat Ridge, Colorado

Notes to Financial Statements

December 31, 2017

Note 10: Commitments and Contingencies (Continued)

Conduit Debt

On August 7, 2015, the City issued a \$1,000,000 Development Revenue Note (Seniors' Resource Center, Inc. Project) Series 2015, to provide financing for facility improvements. The Note matures on August 1, 2030, and is payable solely from revenues of the Seniors' Resource Center, Inc. The City is not obligated in any manner for repayment of the Note. Accordingly, the Note is not reported as a liability in the accompanying financial statements. The outstanding balance of the Note at December 31, 2017, was \$912,408.

Litigation

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

Required Supplementary Information

City of Wheat Ridge, Colorado

Budgetary Comparison Schedule

General Fund

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 27,292,398	\$ 27,292,398	\$ 28,998,755	\$ 1,706,357
Licenses and Permits	1,437,960	1,437,960	2,804,721	1,366,761
Intergovernmental	1,881,053	1,886,053	1,859,292	(26,761)
Charges for Services	1,309,585	1,431,913	1,414,284	(17,629)
Fines and Forfeitures	786,250	786,250	540,493	(245,757)
Investment Income	50,000	50,000	29,109	(20,891)
Miscellaneous	515,155	685,155	401,669	(283,486)
	<u>33,272,401</u>	<u>33,569,729</u>	<u>36,048,323</u>	<u>2,478,594</u>
Expenditures				
Current				
General Government	9,106,131	9,176,132	9,230,611	(54,479)
Economic Development	1,621,912	1,671,912	1,486,581	185,331
Community Development	1,168,883	2,133,541	1,750,877	382,664
Police	10,000,616	10,011,128	9,692,931	318,197
Public Works	4,597,997	4,902,375	4,146,585	755,790
Parks and Recreation	4,595,260	4,974,613	3,637,907	1,336,706
Debt Service				
Principal	37,041	37,041	37,738	(697)
Interest	44,561	44,561	42,429	2,132
	<u>31,172,401</u>	<u>32,951,303</u>	<u>30,025,659</u>	<u>2,925,644</u>
Excess of Revenues Over (Under) Expenditures	<u>2,100,000</u>	<u>618,426</u>	<u>6,022,664</u>	<u>5,404,238</u>
Other Financing Sources (Uses)				
Insurance Proceeds	-	1,770,000	1,769,836	(164)
Transfers Out	(2,100,000)	(2,100,000)	(2,100,000)	-
	<u>(2,100,000)</u>	<u>(330,000)</u>	<u>(330,164)</u>	<u>(164)</u>
Net Change in Fund Balance	-	288,426	5,692,500	5,404,074
Fund Balance, Beginning of year	<u>8,068,070</u>	<u>8,068,070</u>	<u>8,111,611</u>	<u>43,541</u>
Fund Balance, End of year	<u>\$ 8,068,070</u>	<u>\$ 8,356,496</u>	<u>\$ 13,804,111</u>	<u>\$ 5,447,615</u>

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Open Space Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 1,442,358	\$ (157,642)
Charges for Services	180,000	180,000	9,989	(170,011)
Investment Income	8,000	8,000	6,449	(1,551)
	<u>1,788,000</u>	<u>1,788,000</u>	<u>1,458,796</u>	<u>(329,204)</u>
Total Revenues				
Expenditures				
Current				
Parks and Recreation	2,911,050	2,946,222	2,460,388	485,834
	<u>(1,123,050)</u>	<u>(1,158,222)</u>	<u>(1,001,592)</u>	156,630
Net Change in Fund Balance				
Fund Balance, Beginning of year	<u>1,246,667</u>	<u>1,246,667</u>	<u>1,782,385</u>	<u>535,718</u>
Fund Balance, End of year	<u>\$ 123,617</u>	<u>\$ 88,445</u>	<u>\$ 780,793</u>	<u>\$ 692,348</u>

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Investing 4 the Future Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ 3,700,000	\$ 4,157,932	\$ 457,932
Investment Income	-	-	251,405	251,405
Total Revenues	-	3,700,000	4,409,337	709,337
Expenditures				
Current				
General Government	-	1,289,374	522,290	767,084
Debt Service				
Principal	-	2,800,000	2,800,000	-
Interest	-	690,455	690,455	-
Debt Issuance Costs	-	282,079	274,915	7,164
Total Expenditures	-	5,061,908	4,287,660	774,248
Excess of Revenues Over (Under) Expenditures	-	(1,361,908)	121,677	1,483,585
Other Financing Sources				
Bonds Issued	-	31,215,000	30,595,000	(620,000)
Bond Premium	-	2,283,173	2,687,079	403,906
Total Other Financing Sources	-	33,498,173	33,282,079	(216,094)
Net Change in Fund Balance	-	32,136,265	33,403,756	1,267,491
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ 32,136,265	\$ 33,403,756	\$ 1,267,491

City of Wheat Ridge, Colorado
Notes to Required Supplementary Information
December 31, 2017

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

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

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

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

Supplementary Information

City of Wheat Ridge, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Police Investigation	Municipal Court	Conservation Trust	Recreation Center Operating
Assets				
Cash and Investments	\$ 68,755	\$ 99,061	\$ 561,255	\$ 558,458
Accounts Receivable	-	-	-	12,500
Accrued Interest Receivable	-	-	-	403
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 68,755</u>	<u>\$ 99,061</u>	<u>\$ 561,255</u>	<u>\$ 571,361</u>
Liabilities				
Accounts Payable	\$ -	\$ 2,445	\$ 49,495	\$ 36,012
Accrued Liabilities	-	-	-	37,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>2,445</u>	<u>49,495</u>	<u>73,670</u>
Fund Balances				
Restricted for:				
Open Space and Parks	-	-	511,760	-
Police Investigations	68,755	-	-	-
Crime Prevention Activities	-	-	-	-
Committed to:				
Municipal Court	-	96,616	-	-
Recreation Center	-	-	-	497,691
Public Art	-	-	-	-
Assigned to Equipment Replacement	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>68,755</u>	<u>96,616</u>	<u>511,760</u>	<u>497,691</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 68,755</u>	<u>\$ 99,061</u>	<u>\$ 561,255</u>	<u>\$ 571,361</u>

(Continued)

City of Wheat Ridge, Colorado

Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2017

(Continued)

	Crime Prevention	Public Art	Equipment Replacement	Totals
Assets				
Cash and Investments	\$ 488,677	\$ 101,883	\$ 444,986	\$ 2,323,075
Accounts Receivable	-	-	773	13,273
Accrued Interest Receivable	634	-	-	1,037
Total Assets	\$ 489,311	\$ 101,883	\$ 445,759	\$ 2,337,385
Liabilities				
Accounts Payable	\$ 569	\$ -	\$ 137,836	\$ 226,357
Accrued Liabilities	11,057	-	-	48,715
Total Liabilities	11,626	-	137,836	275,072
Fund Balances				
Restricted for:				
Open Space and Parks	-	-	-	511,760
Police Investigations	-	-	-	68,755
Crime Prevention Activities	477,685	-	-	477,685
Committed to:				
Municipal Court	-	-	-	96,616
Recreation Center	-	-	-	497,691
Public Art	-	101,883	-	101,883
Assigned to Equipment Replacement	-	-	307,923	307,923
Total Fund Balance	477,685	101,883	307,923	2,062,313
Total Liabilities and Fund Balance	\$ 489,311	\$ 101,883	\$ 445,759	\$ 2,337,385

City of Wheat Ridge, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds Year Ended December 31, 2017

	Police Investigation	Municipal Court	Conservation Trust	Recreation Center Operating
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	309,288	-
Charges for Services	-	-	-	2,098,401
Fines and Forfeitures	-	18,780	-	-
Investment Income	-	111	1,138	6,504
Miscellaneous	-	-	-	12,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	18,891	310,426	2,117,405
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current				
General Government	-	12,012	-	-
Police	214	-	-	-
Parks and Recreation	-	-	243,229	2,364,921
Capital Outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	214	12,012	243,229	2,364,921
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	(214)	6,879	67,197	(247,516)
Other Financing Sources				
Transfers In	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(214)	6,879	67,197	(247,516)
Fund Balances, Beginning of year	68,969	89,737	444,563	745,207
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, End of year	\$ 68,755	\$ 96,616	\$ 511,760	\$ 497,691
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(Continued)

City of Wheat Ridge, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds Year Ended December 31, 2017 (Continued)

	Crime Prevention	Public Art	Equipment Replacement	Totals
Revenues				
Taxes	\$ 482,427	\$ 11,660	\$ -	\$ 494,087
Intergovernmental	-	-	-	309,288
Charges for Services	-	6,497	-	2,104,898
Fines and Forfeitures	25,668	-	-	44,448
Investment Income	1,806	115	2,856	12,530
Miscellaneous	-	-	-	12,500
Total Revenues	<u>509,901</u>	<u>18,272</u>	<u>2,856</u>	<u>2,977,751</u>
Expenditures				
Current				
General Government	-	-	-	12,012
Police	502,281	-	-	502,495
Parks and Recreation	-	-	-	2,608,150
Capital Outlay	-	-	150,292	150,292
Total Expenditures	<u>502,281</u>	<u>-</u>	<u>150,292</u>	<u>3,272,949</u>
Excess of Revenues Over (Under) Expenditures	7,620	18,272	(147,436)	(295,198)
Other Financing Sources				
Transfers In	-	-	100,000	100,000
Net Change in Fund Balances	7,620	18,272	(47,436)	(195,198)
Fund Balances, Beginning of year	<u>470,065</u>	<u>83,611</u>	<u>355,359</u>	<u>2,257,511</u>
Fund Balances, End of year	<u><u>\$ 477,685</u></u>	<u><u>\$ 101,883</u></u>	<u><u>\$ 307,923</u></u>	<u><u>\$ 2,062,313</u></u>

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Police Investigation Fund
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Investment Income	\$ 150	\$ -	\$ (150)
Expenditures			
Current			
Police	25,000	214	24,786
Net Change in Fund Balance	(24,850)	(214)	24,636
Fund Balance, Beginning of year	44,456	68,969	24,513
Fund Balance, End of year	<u>\$ 19,606</u>	<u>\$ 68,755</u>	<u>\$ 49,149</u>

City of Wheat Ridge, Colorado

Budgetary Comparison Schedule

Municipal Court Fund

Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 27,500	\$ 18,780	\$ (8,720)
Investment Income	550	111	(439)
Total Revenues	<u>28,050</u>	<u>18,891</u>	<u>(9,159)</u>
Expenditures			
Current			
General Government	<u>35,000</u>	<u>12,012</u>	<u>22,988</u>
Net Change in Fund Balance	(6,950)	6,879	13,829
Fund Balance, Beginning of year	<u>84,281</u>	<u>89,737</u>	<u>5,456</u>
Fund Balance, End of year	<u>\$ 77,331</u>	<u>\$ 96,616</u>	<u>\$ 19,285</u>

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 309,288	\$ 9,288
Investment Income	500	500	1,138	638
Total Revenues	<u>300,500</u>	<u>300,500</u>	<u>310,426</u>	<u>9,926</u>
Expenditures				
Current				
Parks and Recreation	<u>615,000</u>	<u>640,800</u>	<u>243,229</u>	<u>397,571</u>
Net Change in Fund Balance	(314,500)	(340,300)	67,197	407,497
Fund Balance, Beginning of year	<u>360,291</u>	<u>360,291</u>	<u>444,563</u>	<u>84,272</u>
Fund Balance, End of year	<u>\$ 45,791</u>	<u>\$ 19,991</u>	<u>\$ 511,760</u>	<u>\$ 491,769</u>

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Recreation Center Operating Fund
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 2,169,023	\$ 2,098,401	\$ (70,622)
Investment Income	8,000	6,504	(1,496)
Miscellaneous	-	12,500	12,500
Total Revenues	2,177,023	2,117,405	(59,618)
Expenditures			
Current			
Parks and Recreation	2,408,098	2,364,921	43,177
Net Change in Fund Balance	(231,075)	(247,516)	(16,441)
Fund Balance, Beginning of year	695,970	745,207	49,237
Fund Balance, End of year	\$ 464,895	\$ 497,691	\$ 32,796

City of Wheat Ridge, Colorado

Budgetary Comparison Schedule

Crime Prevention Fund

Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Lodgers Taxes	\$ 300,000	\$ 482,427	\$ 182,427
Fines and Forfeitures	30,000	25,668	(4,332)
Investment Income	1,000	1,806	806
Total Revenues	<u>331,000</u>	<u>509,901</u>	<u>178,901</u>
Expenditures			
Current			
Police	<u>504,175</u>	<u>502,281</u>	<u>1,894</u>
Net Change in Fund Balance	(173,175)	7,620	180,795
Fund Balance, Beginning of year	<u>443,736</u>	<u>470,065</u>	<u>26,329</u>
Fund Balance, End of year	<u>\$ 270,561</u>	<u>\$ 477,685</u>	<u>\$ 207,124</u>

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Public Art Fund
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Use Taxes	\$ 10,000	\$ 11,660	\$ 1,660
Charges for Services	17,370	6,497	(10,873)
Investment Income	100	115	15
	<hr/>	<hr/>	<hr/>
Total Revenues	27,470	18,272	(9,198)
Fund Balance, Beginning of year	<hr/> 82,641	<hr/> 83,611	<hr/> 970
Fund Balance, End of year	<hr/> <hr/> \$ 110,111	<hr/> <hr/> \$ 101,883	<hr/> <hr/> \$ (8,228)

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Equipment Replacement Fund
 Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 53,000	\$ -	\$ (53,000)
Investment Income	3,300	2,856	(444)
Total Revenues	<u>56,300</u>	<u>2,856</u>	<u>(53,444)</u>
Expenditures			
Capital Outlay	<u>366,750</u>	<u>150,292</u>	<u>216,458</u>
Excess of Revenues Over (Under) Expenditures	(310,450)	(147,436)	163,014
Other Financial Sources			
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(210,450)	(47,436)	163,014
Fund Balance, <i>Beginning of year</i>	<u>354,412</u>	<u>355,359</u>	<u>947</u>
Fund Balance, <i>End of year</i>	<u>\$ 143,962</u>	<u>\$ 307,923</u>	<u>\$ 163,961</u>

City of Wheat Ridge, Colorado

Budget Comparison Schedule

Capital Projects Fund

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Lodgers Taxes	\$ 290,000	\$ 290,000	\$ 321,613	\$ 31,613
Intergovernmental	1,760,000	1,760,000	435,304	(1,324,696)
Charges for Services	-	-	58,860	58,860
Investment Income	20,000	20,000	9,312	(10,688)
Miscellaneous	46,825	46,825	-	(46,825)
Total Revenues	<u>2,116,825</u>	<u>2,116,825</u>	<u>825,089</u>	<u>(1,291,736)</u>
Expenditures				
Capital Outlay	<u>5,128,000</u>	<u>4,299,745</u>	<u>2,819,870</u>	<u>1,479,875</u>
Excess Revenues Over (Under) Expenditures	(3,011,175)	(2,182,920)	(1,994,781)	188,139
Other Financing Sources				
Transfers In	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net Change in Fund Balance	(1,011,175)	(182,920)	5,219	188,139
Fund Balance, Beginning of year	<u>1,033,971</u>	<u>1,033,971</u>	<u>1,148,554</u>	<u>114,583</u>
Fund Balance, End of year	<u>\$ 22,796</u>	<u>\$ 851,051</u>	<u>\$ 1,153,773</u>	<u>\$ 302,722</u>

City of Wheat Ridge, Colorado

Balance Sheet Component Unit December 31, 2017

	Urban Renewal Authority
Assets	
Cash and Investments	\$ 1,320,952
Property Taxes Receivable	395,543
Due From Primary Government	119,449
Property Held for Resale	<u>330,299</u>
Total Assets	<u>\$ 2,166,243</u>
Liabilities	
Accounts Payable	\$ 158,049
Due to Primary Government	<u>20,000</u>
Total Liabilities	<u>178,049</u>
Deferred Inflows of Resources	
Property Taxes	<u>395,486</u>
Fund Balance	
Nonspendable Property Held for Resale	330,299
Unrestricted, Unassigned	<u>1,262,409</u>
Total Fund Balance	<u>1,592,708</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,166,243</u>
Amounts Reported for the Component Unit in the Statement of Net Position are Different Because:	
Total Fund Balance of Component Unit	\$ 1,592,708
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.	<u>(1,805,000)</u>
Total Net Position of Component Unit	<u>\$ (212,292)</u>

City of Wheat Ridge, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Year Ended December 31, 2017

	Urban Renewal Authority
Revenues	
Property Tax Increment	\$ 319,541
Sales Tax Increment	502,936
Intergovernmental	300,000
Investment Income	850
Miscellaneous	106,920
Total Revenues	1,230,247
Expenditures	
Current	
Community Development	60,860
Capital Outlay	716,526
Debt Service	
Principal	275,000
Interest	65,007
Total Expenditures	1,117,393
Excess of Revenues Over (Under) Expenditures	112,854
Other Financing Sources	
Proceeds from Sale of Property	44,781
Net Change in Fund Balance	157,635
Fund Balance, Beginning of year	1,435,073
Fund Balance, End of year	\$ 1,592,708

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

Net Change in Fund Balance of Component Unit	\$ 157,635
Repayments of long-term debt are expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount represents loan payments in the current year.	275,000
Change in Net Position of Component Unit	\$ 432,635

City of Wheat Ridge, Colorado
 Budgetary Comparison Schedule
 Wheat Ridge Urban Renewal Authority
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property Tax Increment	\$ 151,000	\$ 195,772	\$ 319,541	\$ 123,769
Sales Tax Increment	540,000	572,017	502,936	(69,081)
Intergovernmental	300,000	300,000	300,000	-
Investment Income	1,300	1,300	850	(450)
Miscellaneous	-	5,998	106,920	100,922
Total Revenues	<u>992,300</u>	<u>1,075,087</u>	<u>1,230,247</u>	<u>155,160</u>
Expenditures				
Current				
Community Development	114,700	166,200	60,860	105,340
Capital Outlay	560,500	716,000	716,526	(526)
Debt Service				
Principal	275,000	275,000	275,000	-
Interest	65,728	65,728	65,007	721
Total Expenditures	<u>1,015,928</u>	<u>1,222,928</u>	<u>1,117,393</u>	<u>105,535</u>
Excess of Revenues Over (Under) Expenditures	(23,628)	(147,841)	112,854	260,695
Other Financing Sources				
Proceeds from Sale of Property	400,000	400,000	44,781	(355,219)
Net Change in Fund Balance	376,372	252,159	157,635	(94,524)
Fund Balance, Beginning of year	<u>1,068,179</u>	<u>1,068,179</u>	<u>1,435,073</u>	<u>366,894</u>
Fund Balance, End of year	<u>\$ 1,444,551</u>	<u>\$ 1,320,338</u>	<u>\$ 1,592,708</u>	<u>\$ 272,370</u>

Compliance Section

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT		City or County: WHEAT RIDGE
		YEAR ENDING : December 2017
This Information From The Records Of The City of Wheat Ridge	Prepared By: Phone:	Mark Colvin, Accounting Manager 303-235-2817

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	894,028
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,744,334
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	66,445
2. General fund appropriations		b. Snow and ice removal	55,027
3. Other local imposts (from page 2)	5,155,402	c. Other	
4. Miscellaneous local receipts (from page 2)	571,676	d. Total (a. through c.)	121,472
5. Transfers from toll facilities		4. General administration & miscellaneous	900,272
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,362,215
a. Bonds - Original Issues		6. Total (1 through 5)	7,022,322
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	5,727,078	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,064,331	2. Notes:	
D. Receipts from Federal Government (from page 2)	230,912	a. Interest	
E. Total receipts (A.7 + B + C + D)	7,022,321	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	7,022,322

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		7,022,321	7,022,322		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE:
	Colorado
	YEAR ENDING (mm/yy): WHEAT RIDGE

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	846,024	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	364,068
1. Sales Taxes	4,309,378	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	181,893
5. Specific Ownership &/or Other		g. Other Misc. Receipts	25,715
6. Total (1. through 5.)	4,309,378	h. Other	
c. Total (a. + b.)	5,155,402	i. Total (a. through h.)	571,676
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,064,331	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	230,912
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	230,912
4. Total (1. + 2. + 3.f)	1,064,331	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	624,605		624,605
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation	269,423		269,423
(5). Total Construction (1) + (2) + (3) + (4)	269,423	0	269,423
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	894,028	0	894,028
			(Carry forward to page 1)

Notes and Comments: