

**WHEATLANDS METROPOLITAN DISTRICT**

**Financial Statements**

**December 31, 2017**

# WHEATLANDS METROPOLITAN DISTRICT

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Dazzo & Associates, PC

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Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Wheatlands Metropolitan District  
Arapahoe County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Wheatlands Metropolitan District as of and for the year December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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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 and each major fund of the Wheatlands Metropolitan District, as of December 31, 2017, and the respective changes in financial position and the budgetary comparisons for the General Fund, the Special Revenue – Aurora Regional Improvements (ARI) Fund, the Special Revenue – Operations Fund and the Special Revenue – Park Fund 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 on pages 4-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wheatlands Metropolitan District's basic financial statements. The Budget to Actual Schedule for the Debt Service Fund (the Supplementary Information) and the Schedule of Debt Service Requirements to Maturity and the History of the District's Assessed Valuation and Mill Levies (the Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information 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 them.

*Duggio & Associates, P.C.*

March 20, 2018

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Wheatlands Metropolitan District  
Management's Discussion and Analysis  
December 31, 2017**

As management of Wheatlands Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Current year to prior year comparisons are presented below to help users evaluate the results of the District over the past two years.

The Statement of Net Position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them 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 District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District utilized 5 governmental funds for 2017; the General Fund, Debt Service Fund, Special Revenue – Aurora Regional Improvement ("ARI") Fund, Special Revenue – Operations Fund and, Special Revenue – Park Fund.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities on page 13 of this report.

The District adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement for all funds except the Debt Service Fund has been provided on pages 17 through 20 to demonstrate compliance with this budget. The budgetary comparison for the Debt Service Fund is provided as part of the Supplementary Information on page 40.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page 21 of this report.

**Government-wide Financial Analysis:** The following table shows a condensed statement of net position as of December 31, 2017 and December 31, 2016 derived from the government-wide financial statements.

**Wheatlands Metropolitan District  
Net Position**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current assets	\$ 5,324,662	\$ 4,135,537
Capital and other assets	3,662,782	3,757,181
<b>Total Assets</b>	<u>8,987,444</u>	<u>7,892,718</u>
<b>Liabilities and Deferred Inflows:</b>		
Current liabilities and deferred inflows	2,778,668	2,000,000
Long-term and other liabilities	25,582,619	25,874,594
<b>Total Liabilities and Deferred Inflows</b>	<u>28,361,287</u>	<u>27,874,594</u>
<b>Net Position:</b>		
Net investment in capital assets	2,917,780	2,908,730
Restricted	369,952	514,388
Unrestricted	(22,661,575)	(23,404,994)
<b>Total Net Position</b>	<u>\$ (19,373,843)</u>	<u>\$ (19,981,876)</u>



At the end of the current fiscal year, the District has a negative unrestricted net position which results from the District conveying the majority of its infrastructure to the City of Aurora but having the liability for the debt issued to construct the infrastructure.

The changes in net position for the years ended December 31, 2017 and December 31, 2016 are summarized in the following table:

**Wheatlands Metropolitan District  
Change in Net Position**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
<b>Revenues:</b>		
Charges for services	\$ 873,269	\$ 818,974
Property taxes	1,979,049	2,189,229
Interest and other income	38,383	16,415
<b>Total Revenues</b>	<u>2,890,701</u>	<u>3,024,618</u>
<b>Expenses:</b>		
General government	145,013	149,705
Operations	217,240	196,542
Park & Recreation	665,348	693,994
Aurora Capital Improvements	39,884	7,632
Interest & depreciation expense	1,215,183	1,219,855
<b>Total Expenses</b>	<u>2,282,668</u>	<u>2,267,728</u>
<b>Change in Net Position</b>	608,033	756,890
<b>Net Position- Beginning</b>	<u>(19,981,876)</u>	<u>(20,738,766)</u>
<b>Net Position- Ending</b>	<u>\$ (19,373,843)</u>	<u>\$ (19,981,876)</u>

The primary contributing factors for the increase in net position for 2017 is the District using property taxes and fees collected to make debt service payments as well as the District adding to reserves for future capital replacement and enhancement purposes.

**Financial Analysis of the District's Funds**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the 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.

General Fund revenues were \$837,525 in 2017 and \$935,774 in 2016. This decrease is primarily related to a decrease in tax revenues resulting from a decrease in the general fund mill levy of 5 mills for 2017. General Fund expenditures were \$145,013 in 2017 and \$149,705 in 2016. The decrease is primarily because of decreased costs for tax collection fees which correlate with the decreased tax revenue.

Aurora Regional Improvement (“ARI”) Fund revenues were \$29,899 in 2017 and \$28,661 in 2016. This increase is because of increased tax revenue due to a higher assessed value, i.e. there was no change in the mill levy. ARI Fund expenditures were \$39,884 in 2017 and \$32,127 in 2016. The increase is a result of the creation of the South Aurora Regional Improvement Authority (“Authority”) which requires ARI property tax revenue be paid to the Authority. Further explanation of the Authority is found on page 37 of this report.

Operations Fund revenues were \$261,648 in 2017 and \$234,453 in 2016. This increase is primarily attributable to increased operations fee revenue from an increased number of units and recovery of expenses related to successful collections of past due accounts. Operations Fund expenditures were \$217,240 in 2017 and \$196,542 in 2016. The increase is primarily attributable to higher trash removal expenses resulting from an increased number of residential units, increased covenant enforcement activity and increased activity related to collection of past due accounts.

Park Fund revenue was \$619,842 in 2017 and \$588,638 in 2016. The increase, as with the Operations Fund, is primarily attributable to increased operations fee revenue from an increased number of units and recovery of expenses related to successful collections of past due accounts. Park Fund expenditures were \$849,528 in 2017 and \$835,486 in 2016. The increase results primarily from increased expenditures related to collection of past due accounts.

Debt Fund revenue was \$1,141,787 in 2017 and \$1,237,092 in 2016. This decrease results from the decrease in tax revenue related to a reduced mill levy. Debt Fund expenditures were \$1,222,279 in 2017 and \$1,048,777 in 2016. The increase results in the commencement of principal payments on the Series 2015 Bonds.

As of the end of 2017, the District’s governmental funds reported ending fund balances of \$2,432,029, an increase of \$416,757 from 2016. These additional funds are being held for spending in future years, primarily for capital replacement and enhancement purposes.

**Budget variances:** The General Fund ending fund balance finished the year \$918,543 ahead of budget, because the transfer to the Park Fund was \$813,000 less than budget. The lower transfer amount results from a delay in Park Fund expenditures to construct a new park. A budget to actual statement for the General Fund can be found on page 17 of this report.

The ARI Fund ending fund balance finished the year \$6,396 ahead of budget because the beginning fund balance was more than budgeted. A budget to actual statement for the ARI Fund can be found on page 18 of this report.

The Operations Fund ending fund balance finished the year \$33,557 ahead of the budget because 1) revenue related from collection of past due accounts was substantially more than budgeted; 2) no expenditures for budgeted contingencies and; 3) the beginning fund balance was higher than budgeted. A budget to actual statement for the Operations Fund can be found on page 19 of this report.

The Park Fund ending fund balance finished the year \$35,183 ahead of final budget due to greater than budgeted revenue from collection activities and less than budgeted expenditures. Expenditures were less because of 1) the delay in construction of a community park; 2) a reduction in all park and recreation and landscape maintenance expenditures and; 3) no expenditures for budgeted contingencies. A budget to actual statement for the Park Fund can be found on page 20 of this report.

The Debt Service Fund ending fund balance finished the year \$26,328 ahead of budget because specific ownership tax collections exceeded budget and the beginning fund balance was higher than budgeted. A budget to actual statement for the Debt Fund can be found as part of the supplementary information on page 40 of this report.

**Capital assets:** The District's total net capital assets decreased by \$94,399 because of current year depreciation expense being greater than capital additions. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on page 32 of this report.

**Long-term debt:** The overall debt of the District was reduced by \$278,449 in 2017. Further detail of long-term debt can be found on pages 32 – 35 of this report.

**Request for Information:** This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Wheatlands Metropolitan District, c/o Marchetti & Weaver, LLC, 245 Century Circle, Suite 103, Louisville, CO 80027, (720) 210-9137.

## **BASIC FINANCIAL STATEMENTS**



**WHEATLANDS METROPOLITAN DISTRICT**

**STATEMENT OF NET POSITION**

**December 31, 2017**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Investments - Unrestricted	\$ 1,969,200
Investments - Restricted	505,610
Accounts Receivable	29,264
Due from County Treasurer	12,213
Prepaid Expenditures	22,081
Prepaid Bond Insurance	201,740
Property Taxes Receivable	2,584,554
Capital Assets Not Being Depreciated	1,138,397
Capital Assets, Net of Accumulated Depreciation	2,524,385
<b>Total Assets</b>	<b>8,987,444</b>
<b>Liabilities</b>	
Accounts Payable	78,227
Prepaid Assessments	28,112
Accrued Interest Payable	87,775
Noncurrent Liabilities	
Due Within One Year	382,571
Due In More Than One Year	25,200,048
<b>Total Liabilities</b>	<b>25,776,733</b>
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue - Property Taxes	2,584,554
<b>Net Position</b>	
Net Investment in Capital Assets	2,917,780
Restricted	
Labor Emergencies	51,700
Debt Service	290,143
ARI Projects	7,191
Park Projects	20,918
Unrestricted	(22,661,575)
<b>Total Net Position</b>	<b>\$ (19,373,843)</b>

The notes to the financial statements are an integral part of this statement.

**WHEATLANDS METROPOLITAN DISTRICT**

**STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017**

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental Activities</b>					
General Government	\$ 145,013	\$ -	\$ -	\$ -	\$ (145,013)
Operations	217,240	261,648	-	-	44,408
Parks and Recreation	665,348	611,621	-	-	(53,727)
Aurora Regional Improvements	39,884	-	-	-	(39,884)
Unallocated Depreciation	141,770	-	-	-	(141,770)
Interest on Long-term Debt and Related Costs	1,073,413	-	-	-	(1,073,413)
Total	<u>\$ 2,282,668</u>	<u>\$ 873,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,409,399)</u>
<b>General Revenues</b>					
					1,822,938
					156,111
					28,433
					9,950
					<u>2,017,432</u>
					608,033
					(19,981,876)
					<u>\$(19,373,843)</u>

The notes to the financial statements are an integral part of this statement.

**WHEATLANDS METROPOLITAN DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2017**

	<b>General Fund</b>	<b>Special Revenue ARI Fund</b>	<b>Special Revenue Operations Fund</b>
<b>Assets</b>			
Cash and Investments - Unrestricted	\$ 1,731,860	\$ -	\$ 237,340
Cash and Investments - Restricted	-	36,630	-
Accounts Receivable	2,490	-	9,396
Due from County Treasurer	5,089	-	-
Prepaid Expenditures	1,163	-	-
Property Taxes Receivable	1,274,084	36,386	-
<b>Total Assets</b>	<b>\$ 3,014,686</b>	<b>\$ 73,016</b>	<b>\$ 246,736</b>
<b>Liabilities</b>			
Accounts Payable	\$ 36,355	\$ 29,439	\$ 31
Prepaid Assessments	-	-	8,650
<b>Total Liabilities</b>	<b>36,355</b>	<b>29,439</b>	<b>8,681</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - Property Taxes	1,274,084	36,386	-
<b>Fund Balances</b>			
Nonspendable			
Prepaid Expenditures	1,163	-	-
Restricted			
TABOR Emergencies	25,200	-	7,800
ARI Projects	-	7,191	-
Debt Service	-	-	-
Assigned			
Capital Replacement Reserve	225,000	-	-
Subsequent Year's Expenditures	1,165,296	-	-
Operations	-	-	230,255
Unassigned	287,588	-	-
<b>Total Fund Balances</b>	<b>1,704,247</b>	<b>7,191</b>	<b>238,055</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,014,686</b>	<b>\$ 73,016</b>	<b>\$ 246,736</b>

The notes to the financial statements are an integral part of this statement.



Special Revenue Park Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ -	\$ 1,969,200
162,841	306,139	505,610
17,378	-	29,264
-	7,124	12,213
20,918	-	22,081
-	1,274,084	2,584,554
<u>\$ 201,137</u>	<u>\$ 1,587,347</u>	<u>\$ 5,122,922</u>
\$ 12,402	\$ -	\$ 78,227
19,462	-	28,112
<u>31,864</u>	<u>-</u>	<u>106,339</u>
-	1,274,084	2,584,554
20,918	-	22,081
18,700	-	51,700
-	-	7,191
129,655	313,263	442,918
-	-	225,000
-	-	1,165,296
-	-	230,255
-	-	287,588
<u>169,273</u>	<u>313,263</u>	<u>2,432,029</u>
<u>\$ 201,137</u>	<u>\$ 1,587,347</u>	<u>\$ 5,122,922</u>

**WHEATLANDS METROPOLITAN DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
December 31, 2017**

**Total Fund Balances - Governmental Funds** \$ 2,432,029

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Those assets consist of:

Capital Assets Not Being Depreciated	\$ 1,138,397	
Capital Assets, Net	2,524,385	3,662,782

Net prepaid bond insurance costs are not financial resources and, therefore, are not reported in the funds	201,740
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Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.

Balances at year end are:

Bonds Payable	(24,460,000)	
Bond Premium	(377,617)	
Loan Payable	(745,002)	
Accrued Interest Payable	(87,775)	(25,670,394)

**Net Position - Governmental Activities** \$(19,373,843)

The notes to the financial statements are an integral part of this statement.

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**WHEATLANDS METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**For the Year Ended December 31, 2017**

	<b>General Fund</b>	<b>Special Revenue ARI Fund</b>	<b>Special Revenue Operations Fund</b>
<b>Revenues</b>			
Property Taxes	\$ 747,106	\$ 29,884	\$ -
Specific Ownership Taxes	65,046	-	-
Operations and Park Fees	-	-	229,085
Late Charges and Collection Fees	-	-	10,210
Working Capital Fees	-	-	6,500
Clubhouse Rental Fees	-	-	-
Legal - Collections	-	-	16,677
Design Review	-	-	3,800
Violations / Fines	-	-	(4,624)
Net Investment Income	22,865	15	-
Other	2,508	-	-
<b>Total Revenues</b>	<b>837,525</b>	<b>29,899</b>	<b>261,648</b>
<b>Expenditures</b>			
General Government			
Accounting and Audit	63,962	-	3,704
Legal	58,568	-	31,863
Insurance and Bonds	2,401	-	-
Bank Fees	-	-	469
County Treasurer's Fees	11,212	448	-
Directors' Fees	5,249	-	-
Website	2,062	-	-
Operations and Maintenance	-	10,000	50,485
Utilities	-	-	130,719
Miscellaneous	1,559	-	-
Contribution to South Aurora Regional Improvement Authority	-	29,436	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Paying Agent / Trustee Fees	-	-	-
<b>Total Expenditures</b>	<b>145,013</b>	<b>39,884</b>	<b>217,240</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>692,512</b>	<b>(9,985)</b>	<b>44,408</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In (Out)	(177,000)	-	-
<b>Net Change in Fund Balances</b>	<b>515,512</b>	<b>(9,985)</b>	<b>44,408</b>
<b>Fund Balances - Beginning</b>	<b>1,188,735</b>	<b>17,176</b>	<b>193,647</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,704,247</b>	<b>\$ 7,191</b>	<b>\$ 238,055</b>

The notes to the financial statements are an integral part of this statement.

Special Revenue Park Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 1,045,948	\$ 1,822,938
-	91,065	156,111
519,641	-	748,726
22,972	-	33,182
13,000	-	19,500
18,485	-	18,485
37,523	-	54,200
-	-	3,800
-	-	(4,624)
779	4,774	28,433
7,442	-	9,950
619,842	1,141,787	2,890,701
11,112	-	78,778
51,939	-	142,370
19,384	-	21,785
1,054	-	1,523
-	15,698	27,358
-	-	5,249
-	-	2,062
442,492	-	502,977
186,738	-	317,457
-	-	1,559
-	-	29,436
103,449	175,000	278,449
31,360	1,030,581	1,061,941
2,000	1,000	3,000
849,528	1,222,279	2,473,944
(229,686)	(80,492)	416,757
177,000	-	-
(52,686)	(80,492)	416,757
221,959	393,755	2,015,272
\$ 169,273	\$ 313,263	\$ 2,432,029

**WHEATLANDS METROPOLITAN DISTRICT**

**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, 2017**

**Net Change in Fund Balances - Governmental Funds** \$ 416,757

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

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.

Capital Outlay	\$ 47,371	
Depreciation expense	<u>(141,770)</u>	(94,399)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal Paid on Long Term Debt		278,449
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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:

Change in accrued interest on bonds and loan payable	927	
Amortization of bond premium	13,526	
Amortization of bond insurance costs	<u>(7,227)</u>	<u>7,226</u>

<b>Change in Net Position - Governmental Activities</b>		<u><u>\$ 608,033</u></u>
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The notes to the financial statements are an integral part of this statement.

**WHEATLANDS METROPOLITAN DISTRICT**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2017**

**(With Comparative Actual Totals for the Year Ended December 31, 2016)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2016 Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 747,165	\$ 747,106	\$ (59)	\$ 859,167
Specific Ownership Taxes	52,302	65,046	12,744	66,598
Net Investment Income	3,000	22,865	19,865	10,009
Other	-	2,508	2,508	-
<b>Total Revenues</b>	<b>802,467</b>	<b>837,525</b>	<b>35,058</b>	<b>935,774</b>
<b>Expenditures</b>				
General Government				
Accounting	61,760	59,262	2,498	59,351
Audit	5,000	4,700	300	4,700
Legal	68,000	58,568	9,432	56,494
Insurance and bonds	2,820	2,401	419	2,677
County Treasurer's Fees	11,207	11,212	(5)	12,898
Directors' fees	7,000	5,249	1,751	6,569
Website	5,500	2,062	3,438	4,081
Election	-	-	-	570
Miscellaneous	12,190	1,559	10,631	2,365
Contingency	7,200	-	7,200	-
<b>Total Expenditures</b>	<b>180,677</b>	<b>145,013</b>	<b>35,664</b>	<b>149,705</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>621,790</b>	<b>692,512</b>	<b>70,722</b>	<b>786,069</b>
<b>Other Financing (Uses)</b>				
Transfers Out	(990,000)	(177,000)	813,000	-
<b>Net Change in Fund Balance</b>	<b>(368,210)</b>	<b>515,512</b>	<b>883,722</b>	<b>786,069</b>
<b>Fund Balance - Beginning</b>	<b>1,153,914</b>	<b>1,188,735</b>	<b>34,821</b>	<b>402,666</b>
<b>Fund Balance - Ending</b>	<b>\$ 785,704</b>	<b>\$ 1,704,247</b>	<b>\$ 918,543</b>	<b>\$ 1,188,735</b>

The notes to the financial statements are an integral part of this statement.

**WHEATLANDS METROPOLITAN DISTRICT**

**SPECIAL REVENUE - AURORA REGIONAL IMPROVEMENTS (ARI) FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2017**

**(With Comparative Actual Totals for the Year Ended December 31, 2016)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2016 Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 29,887	\$ 29,884	\$ (3)	\$ 28,639
Net Investment Income	-	15	15	22
<b>Total Revenues</b>	<u>29,887</u>	<u>29,899</u>	<u>12</u>	<u>28,661</u>
<b>Expenditures</b>				
General Government				
County Treasurer's Fees	448	448	-	430
Legal	-	-	-	7,202
Contribution to South Aurora Regional Improvement Authority	29,438	29,436	2	-
<b>Total Expenditures</b>	<u>39,886</u>	<u>39,884</u>	<u>2</u>	<u>32,127</u>
<b>Net Change in Fund Balance</b>	(9,999)	(9,985)	14	(3,466)
<b>Fund Balance - Beginning</b>	10,794	17,176	6,382	20,642
<b>Fund Balance - Ending</b>	<u>\$ 795</u>	<u>\$ 7,191</u>	<u>\$ 6,396</u>	<u>\$ 17,176</u>

The notes to the financial statements are an integral part of this statement.



**WHEATLANDS METROPOLITAN DISTRICT**

**SPECIAL REVENUE - OPERATIONS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2017**

**(With Comparative Actual Totals for the Year Ended December 31, 2016)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2016 Actual</b>
<b>Revenues</b>				
Operations Fees	\$ 220,780	\$ 229,085	\$ 8,305	\$ 206,366
Late Charges/Collection Fees	1,600	10,210	8,610	3,903
Warning Letter Fees	6,000	-	(6,000)	1,575
Working Capital Fees	6,500	6,500	-	8,000
Legal - Collections	3,720	16,677	12,957	11,909
Design Review	3,000	3,800	800	3,055
Violations / Fines	2,400	(4,624)	(7,024)	(373)
Other	-	-	-	18
<b>Total Revenues</b>	<b>244,000</b>	<b>261,648</b>	<b>17,648</b>	<b>234,453</b>
<b>Expenditures</b>				
General Government				
Accounting	3,860	3,704	156	3,709
Legal	18,220	31,863	(13,643)	33,766
Billing	10,300	12,398	(2,098)	4,644
Facilities Management	20,070	8,721	11,349	21,382
Insurance and bonds	980	-	980	-
Design Review	3,000	4,766	(1,766)	5,115
Covenant Enforcement	24,600	24,600	-	10,260
Trash Removal	129,100	130,719	(1,619)	115,205
Bank Charges	1,300	469	831	2,450
Miscellaneous	-	-	-	11
Contingency	10,000	-	10,000	-
<b>Total Expenditures</b>	<b>221,430</b>	<b>217,240</b>	<b>4,190</b>	<b>196,542</b>
<b>Net Change in Fund Balance</b>	<b>22,570</b>	<b>44,408</b>	<b>21,838</b>	<b>37,911</b>
<b>Fund Balance - Beginning</b>	<b>181,928</b>	<b>193,647</b>	<b>11,719</b>	<b>155,736</b>
<b>Fund Balance - Ending</b>	<b>\$ 204,498</b>	<b>\$ 238,055</b>	<b>\$ 33,557</b>	<b>\$ 193,647</b>

The notes to the financial statements are an integral part of this statement.

**WHEATLANDS METROPOLITAN DISTRICT**

**SPECIAL REVENUE - PARK FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2017**

**(With Comparative Actual Totals for the Year Ended December 31, 2016)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2016 Actual</b>
<b>Revenues</b>				
Park and Recreation Fees	\$ 514,080	\$ 519,641	\$ 5,561	\$ 512,747
Late Charges/Collection Fees	3,000	22,972	19,972	8,173
Working Capital Fees	6,500	13,000	6,500	16,000
Clubhouse Rental Fees	15,000	18,485	3,485	19,773
Legal - Collections	8,280	37,523	29,243	27,846
Net Investment Income	0	779	779	370
Other	1,800	7,442	5,642	3,729
<b>Total Revenues</b>	<b>548,660</b>	<b>619,842</b>	<b>71,182</b>	<b>588,638</b>
<b>Expenditures</b>				
General Government				
Accounting	11,580	11,112	468	11,128
Legal	22,780	51,939	(29,159)	52,903
Insurance and Bonds	25,990	19,384	6,606	24,743
Bank Charges	2,910	1,054	1,856	5,483
Operations and Maintenance	677,460	103,781	573,679	44,929
Landscape Maintenance	199,330	171,785	27,545	208,852
Clubhouse Maintenance	105,650	66,089	39,561	47,054
Pool Maintenance	129,500	100,837	28,663	96,141
Utilities	212,000	186,738	25,262	207,444
Contingency	15,000	-	15,000	-
Debt Service				
Loan Principal	103,450	103,449	1	99,386
Loan Interest	31,360	31,360	-	35,423
Paying Agent / Trustee Fees	2,000	2,000	-	2,000
<b>Total Expenditures</b>	<b>1,539,010</b>	<b>849,528</b>	<b>689,482</b>	<b>835,486</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(990,350)</b>	<b>(229,686)</b>	<b>760,664</b>	<b>(246,848)</b>
<b>Other Financing Sources</b>				
Transfers In	990,000	177,000	(813,000)	-
<b>Net Change in Fund Balance</b>	<b>(350)</b>	<b>(52,686)</b>	<b>(52,336)</b>	<b>(246,848)</b>
<b>Fund Balance - Beginning</b>	<b>134,440</b>	<b>221,959</b>	<b>87,519</b>	<b>468,807</b>
<b>Fund Balance - Ending</b>	<b>\$ 134,090</b>	<b>\$ 169,273</b>	<b>\$ 35,183</b>	<b>\$ 221,959</b>

The notes to the financial statements are an integral part of this statement.

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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#### NOTE 1 –REPORTING ENTITY

Wheatlands Metropolitan District, formerly Wheatlands Metropolitan District No. 2 (“the District”), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court in and for Arapahoe County on December 4, 2001 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 2, Colorado Revised Statutes). The District changed its name from Wheatlands Metropolitan District No. 2 to Wheatlands Metropolitan District pursuant to a court order dated September 6, 2012. The District operates under a Service Plan approved by the City of Aurora (“the City”) as amended and restated on August 6, 2004, as further amended by a First Amendment approved by the City on August 24, 2015 (“Service Plan”). The District's service area boundaries are located entirely in the City, in Arapahoe County, Colorado (“County”). The District is one of two related districts: Wheatlands Metropolitan District No. 1 (“District No. 1”) and Wheatlands Metropolitan District (“the Districts”). Pursuant to the Service Plan, the District is referred to as the Taxing District and District No. 1 is the Operating District. The Operating District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the City. The Taxing District provides the funding for infrastructure improvements and the tax base needed to support ongoing operations. During 2011, District No. 1 turned over operations and maintenance functions to the District and went inactive; consequently, the District now acts as both the “operating” and “financing” District.

The District was established principally for the financing of public improvements, including streets and roadways, safety protection systems, water improvements, sanitary sewer and storm drainage, and park and recreation improvements and facilities.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees and all operations and administrative functions are contracted.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources and liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a 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 or applicants 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.

Separate financial statements are provided for the governmental funds. Major individual governmental 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 a 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. Other items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue - Aurora Regional Improvements (ARI) Fund is used to account for revenues received from the ARI mill levy which is required to be used for payment of the planning, designing, permitting, construction, acquisition and financing of the regional improvements described in the ARI Master Plan.

The Special Revenue - Operations Fund is used to account for operations fee revenues and the costs associated with design review, covenant enforcement and trash services.

The Special Revenue - Park Fund is used to account for park fee revenues and the costs associated with the general operations and maintenance of the District's park and recreation facilities, along with payments made for principal and interest on the Tax-Exempt Revenue Note, Series 2013, issued for the purpose of acquiring land related to the park and recreation facilities.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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#### **Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

#### **Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments. Investments are carried at fair value.

#### **Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes if any, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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**Operations and Working Capital Fees**

The District charges a monthly operating fee of \$20 to all homeowners for architectural review, covenant enforcement and trash service. The District also charges a monthly park and recreation fee of \$45 to all single family residential and vacant lot owners for the operation and maintenance of the park and recreation functions of the District. The District imposed a reduced park and recreation fee of \$20 per month for apartments (“Apartment Park and Rec Fee”). The District also entered into an agreement with Wheatlands Peak, LLC in which the District agreed to assess the Apartment Park and Rec Fee for apartments owned by Wheatlands Peak, LLC in exchange for qualified access to the District’s swimming and clubhouse facilities and other landscaping and sign maintenance considerations.

In addition to the monthly operations fees, the District imposes a working capital fee on all transfers of residential units by an end user. The amount of the working capital fee is \$150 when the consideration exceeds \$500. Of the \$150 fee, \$50 is allocated to the Operations Fund and \$100 is allocated to the Park Fund. For consideration of less than \$500, no working capital fee shall be payable.

**Capital Assets**

Capital assets, which include the park and recreation facilities, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets component of the District’s net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parks and recreation facilities	10 - 30 years
Landscaping Improvements	10 - 25 years

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bonds payable are reported net of the applicable bond premium. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method and charged to interest expense. Debt issuance costs, except any portion related to prepaid bond insurance costs, are expensed when incurred. Bond insurance costs are prepaid and amortized over the term of the bonds.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **Net Position and Fund Equity**

##### Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.



**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

The District reports the following restricted net position balances:

*Restricted for TABOR Emergencies*

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

*Restricted for Debt Service*

Net position is restricted for debt service because their use is limited by applicable bond and loan covenants.

*Restricted for ARI Projects*

Net position is restricted for projects associated with the ARI Master Plan.

*Restricted for Park Projects*

Net position is restricted for the District's park and recreation facilities.

Unrestricted net position represents assets that do not have any third-party limitations on their use.

The District's unrestricted net position as of December 31, 2017 totaled \$(22,661,575). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements which were constructed and primarily conveyed to other governmental entities, and which costs were removed from the District's financial records.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

The following fund balances are assigned:

Capital Replacement Reserve – The District has provided for a replacement reserve in the General Fund for use in subsequent year capital improvement projects.

Subsequent Year's Expenditures – Represents the gap between estimated revenue and appropriations in the subsequent year's appropriated budget

Operations – assigned for purposes of the Special Revenue – Operations Fund.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

**Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 155,499	\$ 49,990	\$ 205,489
Investments	1,813,701	455,620	2,269,321
Total	<u>\$ 1,969,200</u>	<u>\$ 505,610</u>	<u>\$ 2,474,810</u>

**Deposits with Financial Institutions**

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Commissioners for banks and

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2017, the District's deposits amounting to \$206,223 were insured by federal depository insurance and were not exposed to custodial credit risk.

#### **Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

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As of December 31, 2017, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 days	<u>\$ 2,269,321</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unrefunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Restricted Cash and Investments**

At December 31, 2017, cash and investments in the amount of \$505,610 are restricted. This includes cash and investments held by the ARI Fund, the Park Fund and the Debt Service Fund, pursuant to applicable contractual and debt requirements (see Note 5).

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

**NOTE 4 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 1,021,086	\$ -	\$ -	\$ 1,021,086
Construction in Process	76,790	40,521	-	117,311
Subtotal	<u>1,097,876</u>	<u>40,521</u>	-	<u>1,138,397</u>
Capital Assets Being Depreciated				
Parks and Recreation Facilities	3,331,140	6,850	-	3,337,990
Landscape Improvements	109,651	-	-	109,651
Subtotal	<u>3,440,791</u>	<u>6,850</u>	-	<u>3,447,641</u>
Less Accumulated Depreciation for				
Parks and Recreation Facilities	(769,271)	(136,629)	-	(905,900)
Landscape Improvements	(12,215)	(5,141)	-	(17,356)
Subtotal	<u>(781,486)</u>	<u>(141,770)</u>	-	<u>(923,256)</u>
Total Capital Assets Being Depreciated, Net	<u>2,659,305</u>	<u>(134,920)</u>	-	<u>2,524,385</u>
Total Capital Assets, Net	<u>\$ 3,757,181</u>	<u>\$ (94,399)</u>	<u>\$ -</u>	<u>\$ 3,662,782</u>

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
G.O. Refunding Bonds, Series 2015	\$24,635,000	\$ -	\$ 175,000	\$24,460,000	\$ 275,000
G.O. Limited Tax Convertible to					
Tax-Exempt Revenue Note, Series 2013	848,451	-	103,449	745,002	107,571
Total	25,483,451	\$ -	\$ 278,449	25,205,002	\$ 382,571
Less Current Portion	(278,449)			(382,571)	
Plus Unamortized Original Issue Premium	391,143	\$ -	\$ 13,526	377,617	
<b>Total Long-term Liabilities</b>	<u>\$25,596,145</u>			<u>\$25,200,048</u>	

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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**\$24,635,000 General Obligation Refunding Bonds, Series 2015**

On September 10, 2015, the District issued \$24,635,000 General Obligation Refunding Bonds, Series 2015. The bonds were issued to refund on a current basis all of the District's outstanding General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2005, the Subordinate General Obligation (Limited Tax Convertible to Unlimited Tax), Series 2008, and pay and cancel the District's Repayment Obligation incurred under a Debt Service Guaranty Agreement amounting to \$2,755,000. Principal payments are due annually on December 1, through 2045. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 4.00% to 5.00%. Repayment of both principal and interest on the bonds are insured by Build America Mutual Assurance Company. Bonds maturing on or after January 1, 2030 are callable at par in any order of maturity on December 1, 2025. The bonds are rated AA by Standard and Poor's.

**\$1,150,000 Tax-Exempt Revenue Note, Series 2013, dated September 27, 2013**

On September 27, 2013, the District entered into a Loan Agreement with US Bank for \$1,150,000 in the form of a Tax-exempt Revenue Note, Series 2013, maturing September 1, 2023, at an interest rate of 3.86%, with interest and principal paid monthly, on the 1st of each month, commencing on November 1, 2013. The loan was issued for the purpose of acquiring land related to park and recreation facilities. The loan is payable from pledged revenue consisting of 1) all revenue derived by the District from the imposition of the Park and Recreation Fee, 2) any amounts held in the funds and accounts established under the Custodial Agreement and pledged to secure the Note; 3) and any other legally available moneys which the District determines, in its sole discretion, to credit as Pledged Revenue under the Authorizing Resolution.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2017**

The District's long-term obligations relating to the General Obligation Refunding Bonds and the Tax-Exempt Revenue Note will mature as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 382,571	\$ 1,050,818	\$ 1,433,389
2019	436,857	1,035,532	1,472,389
2020	491,259	1,018,131	1,509,390
2021	510,947	998,443	1,509,390
2022	560,766	978,024	1,538,790
2023-2027	2,782,602	4,560,560	7,343,162
2028-2032	3,730,000	3,835,555	7,565,555
2033-2037	4,985,000	2,948,205	7,933,205
2038-2042	6,530,000	1,823,631	8,353,631
2043-2045	4,795,000	402,394	5,197,394
	<u>\$ 25,205,002</u>	<u>\$ 18,651,293</u>	<u>\$ 43,856,295</u>

**Authorized Debt**

On November 6, 2001 and November 2, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$132,500,000 and \$732,750,000, respectively, at an interest rate not to exceed 18% per annum. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<b>Amount Authorized on November 6, 2001</b>	<b>Amount Authorized on November 2, 2004</b>	<b>Authorization Used Series 2005 Bonds</b>	<b>Authorization Used Series 2008 Bonds</b>	<b>Authorization Used Series 2013 Note</b>	<b>Authorized but Unissued</b>
Streets	\$ 23,000,000	\$ 55,000,000	\$ 19,877,670	\$ 6,980,190	\$ -	\$ 51,142,140
Traffic and safety	500,000	55,000,000	-	-	-	55,500,000
Water	5,000,000	55,000,000	-	2,572,847	-	57,427,153
Sanitation	8,000,000	55,000,000	-	454,641	-	62,545,359
Park and recreation	7,000,000	55,000,000	1,772,330	2,237,322	1,150,000	56,840,348
Fire protection	-	55,000,000	-	-	-	55,000,000
Transportation	-	55,000,000	-	-	-	55,000,000
Mosquito control	-	55,000,000	-	-	-	55,000,000
TV Relay	-	55,000,000	-	-	-	55,000,000
Operations and maintenance	1,000,000	2,000,000	-	-	-	3,000,000
Refundings	43,500,000	110,000,000	-	-	-	153,500,000
Various agreements	44,500,000	125,750,000	-	-	-	170,250,000
	<u>\$132,500,000</u>	<u>\$732,750,000</u>	<u>\$ 21,650,000</u>	<u>\$ 12,245,000</u>	<u>\$ 1,150,000</u>	<u>\$830,205,000</u>



## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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Pursuant to the Amended Service Plan, the District is permitted to issue bonded indebtedness of up to \$85,000,000. The maximum mill levy is 50 mills for aggregate debt which exceeds 50% of the District's assessed valuation. The maximum mill levy may be adjusted if there are changes in the method of calculating assessed value, such as a change in the ratio of assessed valuation, provided the actual tax revenue generated by the mill levy are neither diminished or enhanced as a result of such changes. For the portion of any aggregate Debt which is equal to or less than 50% of the District's assessed valuation, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

In 2015, the 50 mill maximum for the maximum mill levy was eliminated for the purpose of refunding or refinancing existing outstanding debt (see Note 6).

The 2015 General Obligation Refunding Bonds do not consume any authorized amount because they were issued at a lower interest rate than the Bonds they refunded.

#### NOTE 6 – AGREEMENTS

##### City of Aurora Intergovernmental Agreement

On February 2, 2015, the District entered into an intergovernmental agreement with the City of Aurora, ("Aurora IGA"). The Aurora IGA memorializes covenants and agreements related to the provision of services within the District defined in the District's Service Plan. Included in the Aurora IGA is a debt issuance limitation of \$55,000,000 (subsequently changed to \$85,000,000 in the First Amendment to the Service Plan dated August 24, 2015), an agreement to impose the mill levy for Aurora Regional Improvements (ARI Mill Levy), and the establishment of the Maximum Debt Mill Levy of 50 mills while the District's aggregate debt exceeds 50% and no Maximum Debt Mill Levy once aggregated District debt is 50% or less of the District's assessed valuation. The Aurora IGA also sets the Maximum Debt Mill Levy Term of 40 years unless a majority of the board being residents have voted in favor of extending the term as a result of refunding that results in a net present value savings to the District.

On August 24, 2015, the District executed the First Amendment to the Aurora IGA. Pursuant to this amendment, the District is authorized to issue one or more series of unlimited mill levy Bonds or other Debt or obligations which are not subject to the Maximum Debt Mill Levy, for the purpose of refunding or refinancing outstanding debt existing on that date. Further, the District may pledge to the payment of such Refunding Bonds such revenues as it may determine, including the revenues from a mill levy to be imposed on all taxable property within the District without limitation as to rate and in such amounts as are sufficient to pay the Refunding Bonds as they come due.

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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As mentioned above, pursuant to the Service Plan, the District is required to impose the Aurora Regional Improvement (ARI) Mill Levy on property within the District's boundaries. This mill levy is 1.000 mill for the first twenty years of the District, which for this purpose begins the first year that the District certifies a debt service mill levy. The levy increases to 5.000 mills for year twenty-one through forty or the date of repayment of the debt incurred for public improvement other than regional improvements, whichever occurs first. For the ten years subsequent to the period where the 5.000 mills is imposed, the ARI mill levy is the average of the debt service mill levy for the previous 10 years. The ARI Mill Levy may be adjusted if there are changes in the method of calculating assessed valuation, such as a change in the ratio of actual valuation to assessed valuation, provided the actual tax revenues generated by the mill levy are neither diminished nor enhanced as a result of such changes

#### **Aurora Regional Improvement Authority No. 5 Establishment Agreement**

On September 13, 2012, the District entered into the Aurora Regional Improvement Authority No. 5 Establishment Agreement ("ARI IGA") between the District, Cornerstar Metropolitan District, Eagle's Nest Metropolitan District and Aurora Crossroads Metropolitan Districts Nos. 1-3 to form the Aurora Regional Improvement Authority No. 5. The Authority was organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing the Regional Improvements designated in the ARI Master Plans, as defined in the Aurora Model Service Plan from the ARI mill levy revenues and/or the proceeds of revenue bonds to be issued by the Authority. Each of the Districts that is a party to this agreement agrees that the Authority may fund its operations with the ARI mill levy revenues transferred to the Authority from each District. The amount of money necessary to fund the operations of the Authority shall be allocated on a pro-rata basis between all of the Districts. In the event there is a shortfall in funds necessary to operate the Authority, each District agrees to advance funds to the Authority on a pro-rata basis. The Authority shall reimburse any operational advances from the ARI mill levy revenue received from each respective district. Until such time as there is a unanimous vote of the Members of the Authority, or a unanimous vote of a Project Committee, requiring the ARI mill levy revenue to be transferred to the Authority, the ARI mill levy revenue shall be held by the Districts. On September 13, 2012, the District entered into a Project Committee Agreement. Per the agreement, the District, Cornerstar Metropolitan District and Eagle's Nest Metropolitan District gave the authority to the District to use revenues from the Wheatlands ARI mill levy for the ARI Master Plan approved by the Authority.

On March 24, 2017, the District served notice to withdraw from the ARI IGA. The ARI IGA provides that the withdrawal will be effective sixty days after written notice is provided to the other members.

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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During 2017, the District utilized \$10,000 of the ARI funds for improvements benefiting the region, pursuant to the ARI Master Plan.

#### **South Aurora Regional Improvement Authority Establishment Agreement**

On July 10, 2017, the District entered into the South Aurora Regional Improvement Authority Establishment Agreement (“SARIA IGA”) between the District, the City, and other unrelated metropolitan districts (collectively the “Parties”) to form the South Aurora Regional Improvement Authority (“Authority”). The Authority was organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping and financing the Regional Improvements designated in ARI Master Plans.

The Authority is authorized to provide for the planning, design, acquisition, construction, installation, relocation, and/or redevelopment of Regional Improvements from the ARI Mill Levy, and/or the proceeds of revenue bonds to be issued by the Authority or may delegate and assign those rights and responsibilities to individual Parties.

Each of the Districts which are Parties to this Agreement agree that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year as a part of the budget process.

Upon approval of an ARI Master Plan by the Authority and the District, the financial obligations of the District to remit the ARI Mill Levy to the Authority hereunder shall be a multiple fiscal year financial obligation of the District, payable from ad valorem property taxes generated as a result of the certification by the District of the ARI Mill Levy. From and after the date of each District's approval of the ARI Master Plan or Plans, the District's ARI Mill Levy, as limited hereby, is pledged to the punctual payment of the obligations of the Authority with respect to the Authority's revenue bonds or other financial obligations. On December 8, 2017, the Parties to the SARIA IGA approved the South Aurora Regional Improvement Authority ARI Master Plan Number One. In accordance with the SARIA IGA, the District remitted \$29,439 to the Authority.

#### **Ground Lease Agreement**

On September 27, 2013, the District entered into a Ground Lease Agreement with the YMCA of Metropolitan Denver, (“YMCA”). The initial term of this lease is for a period of fifty years, which begins on January 31, 2014 and continues through January 31, 2064. The YMCA pays the District nominal rent of \$1.00 per year. In addition, the YMCA reimburses the District 50%, not to exceed \$25,000, of the soft costs incurred by the District in undertaking the due

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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diligence necessary to purchase the property. The District has granted permission to the YMCA to occupy the leased property for the purposes of constructing and operating a fitness and recreational center that may also include other uses, facilities and purposes customary for a YMCA facility or recreation and community center. All District residents and property owners are entitled to a reduced rate membership to the facility, to be negotiated between the District and the YMCA, but in no event to exceed \$30 per month per residential unit or vacant lot. The membership fee may be increased on January 1 of each year by an amount equal to any percentage increase in the general membership rate charged by the YMCA applicable to the facility.

**NOTE 7 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (“the Pool”) as of December 31, 2017. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three years.

The District pays annual premiums to the Pool for liability, property, public officials liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 8 – TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

On November 2, 2004, the voters approved the District to increase taxes \$2,000,000 annually for the purpose of paying the District's operations, maintenance and other expenses without regard to any spending, revenue raising or other limitation contained within Article X, Section 20 of the Colorado Constitution or any other property tax limitation or law. Additionally, the voters authorized the District to collect, retain and expend each year all revenues it receives from all sources as voter-approved revenue changes and without regard to any spending, revenue raising or other limitation.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

**SUPPLEMENTARY INFORMATION**

**WHEATLANDS METROPOLITAN DISTRICT**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2017**

**(With Comparative Actual Totals for the Year Ended December 31, 2016)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2016 Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 1,046,030	\$ 1,045,948	\$ (82)	\$ 1,145,539
Specific Ownership Taxes	73,222	91,065	17,843	89,286
Net Investment Income	1,200	4,774	3,574	2,267
<b>Total Revenues</b>	<b>1,120,452</b>	<b>1,141,787</b>	<b>21,335</b>	<b>1,237,092</b>
<b>Expenditures</b>				
General Government				
County Treasurer's Fees	15,690	15,698	(8)	17,196
Contingency	1,000	-	1,000	-
Debt Service				
Principal - Series 2015	175,000	175,000	-	-
Interest - Series 2015	1,030,581	1,030,581	-	1,030,581
Paying Agent / Trustee Fees	1,000	1,000	-	1,000
<b>Total Expenditures</b>	<b>1,223,271</b>	<b>1,222,279</b>	<b>992</b>	<b>1,048,777</b>
<b>Net Change in Fund Balance</b>	<b>(102,819)</b>	<b>(80,492)</b>	<b>22,327</b>	<b>188,315</b>
<b>Fund Balance - Beginning</b>	<b>389,754</b>	<b>393,755</b>	<b>4,001</b>	<b>205,440</b>
<b>Fund Balance - Ending</b>	<b>\$ 286,935</b>	<b>\$ 313,263</b>	<b>\$ 26,328</b>	<b>\$ 393,755</b>

See the Independent Auditor's Report

## **OTHER INFORMATION**



**WHEATLANDS METROPOLITAN DISTRICT**

**Schedule of Debt Service Requirements to Maturity  
December 31, 2017**

**\$24,635,000 General Obligation  
Refunding Bonds, Series 2015**

Year	Rate	Principal	Interest	Total
2018	4.000	\$ 275,000	\$ 1,023,581	\$ 1,298,581
2019	4.000	325,000	1,012,581	1,337,581
2020	4.000	375,000	999,581	1,374,581
2021	4.000	390,000	984,581	1,374,581
2022	4.000	435,000	968,981	1,403,981
2023	4.000	450,000	951,581	1,401,581
2024	4.000	495,000	933,581	1,428,581
2025	4.000	515,000	913,781	1,428,781
2026	5.000	565,000	893,181	1,458,181
2027	5.000	595,000	864,931	1,459,931
2028	5.000	655,000	835,181	1,490,181
2029	5.000	685,000	802,431	1,487,431
2030	5.000	750,000	768,181	1,518,181
2031	4.000	790,000	730,681	1,520,681
2032	4.000	850,000	699,081	1,549,081
2033	4.000	885,000	665,081	1,550,081
2034	4.000	950,000	629,681	1,579,681
2035	4.000	990,000	591,681	1,581,681
2036	4.000	1,060,000	552,081	1,612,081
2037	4.000	1,100,000	509,681	1,609,681
2038	4.000	1,180,000	465,681	1,645,681
2039	4.125	1,225,000	418,481	1,643,481
2040	4.125	1,310,000	367,950	1,677,950
2041	4.125	1,365,000	313,913	1,678,913
2042	4.125	1,450,000	257,606	1,707,606
2043	4.125	1,510,000	197,794	1,707,794
2044	4.125	1,610,000	135,506	1,745,506
2045	4.125	1,675,000	69,094	1,744,094
		<u>\$ 24,460,000</u>	<u>\$ 18,556,145</u>	<u>\$ 43,016,145</u>

**WHEATLANDS METROPOLITAN DISTRICT**

**Schedule of Debt Service Requirements to Maturity**

**December 31, 2017**

(Continued)

**\$1,150,000 Tax-Exempt Revenue Note**

**Series 2013**

Year	Rate	Principal	Interest	Total
2018	3.860	\$ 107,571	\$ 27,237	\$ 134,808
2019	3.860	111,857	22,951	134,808
2020	3.860	116,259	18,550	134,809
2021	3.860	120,947	13,862	134,809
2022	3.860	125,766	9,043	134,809
2023	3.860	162,602	3,505	166,107
		<u>\$ 745,002</u>	<u>\$ 95,148</u>	<u>\$ 840,150</u>

**WHEATLANDS METROPOLITAN DISTRICT**

**History of District's Assessed Valuation and Mill Levies**

Levy Year	Collection Year	Assessed Valuation	Percent Increase	Mills Levied			Total Levy	Total Tax Levy	Current Collection (3)	Collection Rate
				General	Debt Service	Contractual Obligation (1)				
2012	2013	\$ 14,418,500	17.8%	25.000	50.000	1.000	76.000	\$1,095,806	\$ 1,095,365	99.96%
2013	2014	17,184,890	19.2%	25.000	50.000	1.000	76.000	1,306,052	1,300,036	99.54%
2014	2015	21,402,836	24.5%	25.000	50.000	1.000	76.000	1,626,616	1,626,529	99.99%
2015	2016	28,639,921	33.8%	30.000	40.000	1.000	71.000	2,033,434	2,033,424	100.00%
2016	2017	\$ 29,886,585	4.4%	25.000	35.000	1.000	61.000	\$1,823,082	\$ 1,822,938	99.99%
2017	2018 (2)	\$ 33,018,481	10.5%	38.587	38.587	1.102	78.276	\$2,584,554		

**Notes:**

- (1) Represents a contractual obligation for Aurora Regional Improvements.
- (2) Final certified assessed valuation, mill levies for 2017 (2018 collection year) certified in December 2017. The certified assessed valuation for 2017 taxes to be collected in 2018 reflects a decrease in the residential assessment rate from 7.96% to 7.20%.
- (3) Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Arapahoe County Treasurer does not permit identification of specific year of levy.

**Source: Arapahoe County Assessor and Treasurer.**

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