

WHEATLANDS METROPOLITAN DISTRICT

Financial Statements

December 31, 2018

WHEATLANDS METROPOLITAN DISTRICT

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Dazzo & Associates, PC

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, 2018, 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, 2018, 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.

Duzzio & Associates, P.C.

April 5, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Wheatlands Metropolitan District
Management's Discussion and Analysis
December 31, 2018**

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, 2018.

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 utilizes 5 governmental funds; 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, 2018 and December 31, 2017 derived from the government-wide financial statements.

**Wheatlands Metropolitan District
Net Position**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Assets:		
Current assets	\$ 6,421,448	\$ 5,324,662
Capital and other assets	3,705,156	3,662,782
Total Assets	<u>10,126,604</u>	<u>8,987,444</u>
Liabilities and Deferred Inflows:		
Current liabilities and deferred inflows	3,040,158	2,778,668
Long-term and other liabilities	25,186,525	25,582,619
Total Liabilities and Deferred Inflows	<u>28,226,683</u>	<u>28,361,287</u>
Net Position:		
Net Investment in capital assets	3,067,722	2,917,780
Restricted	459,989	369,952
Unrestricted, As Restated	(21,627,790)	(22,661,575)
Total Net Position	<u>\$ (18,100,079)</u>	<u>\$ (19,373,843)</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, 2018 and December 31, 2017 are summarized in the following table:

**Wheatlands Metropolitan District
Change in Net Position**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues:		
Charges for services	\$ 913,443	\$ 873,269
Property taxes	2,771,369	1,979,049
Interest and other income	81,346	38,383
Total Revenues	<u>3,766,158</u>	<u>2,890,701</u>
Expenses:		
General government	154,984	145,013
Operations	223,352	217,240
Park & Recreation	864,303	665,348
Aurora Capital Improvements	42,083	39,884
Interest & depreciation expense	1,207,672	1,215,183
Total Expenses	<u>2,492,394</u>	<u>2,282,668</u>
Change in Net Position	1,273,764	608,033
Net Position- Beginning	<u>(19,373,843)</u>	<u>(19,981,876)</u>
Net Position- Ending	<u>\$ (18,100,079)</u>	<u>\$ (19,373,843)</u>

The primary contributing factors for the increase in net position for 2018 is an increase in property tax revenue and the use of a portion of the increased revenue to make debt service payments as well as 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 \$1,434,416 in 2018 and \$837,525 in 2017. This increase is primarily related to an increase in tax revenues resulting from an increase in the general fund mill levy of 10 mills for 2018 and an increase in assessed valuation. The mill levy was increased to increase funding available for construction of a community park. General Fund expenditures were \$154,984 in 2018 and \$145,013 in 2017. The increase is primarily because of increased costs for tax collection fees which correlate with the increased tax revenue.

Aurora Regional Improvement (“ARI”) Fund revenues were \$36,388 in 2018 and \$29,899 in 2017. This increase is because of increased tax revenue due to a higher assessed value. ARI Fund expenditures were \$42,083 in 2018 and \$39,884 in 2017. The increase is a result of the increase in tax revenue. The South Aurora Regional Improvement Authority (“Authority”) requires ARI property tax revenue be passed through to the Authority. Further explanation of the Authority is found on pages 36 of this report.

Operations Fund revenues were \$259,205 in 2018 and \$261,648 in 2017. This decrease is primarily attributable to a decrease in the number of units for which expenses were incurred to collect past due accounts. Collection expenses are recovered from residents. Operations Fund expenditures were \$223,352 in 2018 and \$217,240 in 2017. The increase is primarily attributable to higher trash removal expenses resulting from an increased number of residential units and increased covenant enforcement activity.

Park Fund revenues were \$659,199 in 2018 and \$619,842 in 2017. The increase is primarily attributable to increased park fee revenue from an increased number of units. In 2018 a substantial number of the planned 338 apartment units were completed and billed the Apartment Park and Rec Fee. See the note to financial statements entitled Operations and Working Capital Fees on page 25 of this report. In addition, there was an increase in Clubhouse rental fees. Park Fund expenditures were \$1,185,799 in 2018 and \$849,528 in 2017. The increase results primarily from increased expenditures related to the new community park and a proposed recreation center.

Debt Fund revenues were \$1,376,950 in 2018 and \$1,141,787 in 2017. This increase results from the increase in tax revenue related to an increased assessed valuation. Debt Fund expenditures were \$1,318,693 in 2018 and \$1,222,279 in 2017. The increase results from the increase in principal payment on the Series 2015 Bonds.

As of the end of 2018, the District’s governmental fund reported an ending fund balance of \$3,273,276, an increase of \$841,247 from the prior year. 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 \$2,141,564 ahead of budget because the transfer to the Park Fund was \$1,765,648 less than budget and the beginning fund balance was greater 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 \$1,496 ahead of budget because capital expenditures of taxes collected prior to 2018 were less than budgeted. See the audit note related to South Aurora Regional Improvement Authority Establishment Agreement on page 36. 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 \$19,413 ahead of budget because 1) revenue related from collection of past due accounts was substantially less than budgeted; 2) there were no expenditures for budgeted contingencies and; 3) the beginning fund balance was greater than budget. 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 \$87,673 ahead of budget because a lower than budgeted transfer was needed from the general fund because of the delay in construction of the community park. 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 \$25,158 ahead of budget because 1) specific ownership tax collections exceeded budget; 2) investment income exceeded budget and; 3) 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 increased by \$42,374 because the increase in construction in progress related to the community park and proposed recreation center exceeded annual depreciation expense. 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 \$382,568 in 2018. Further detail of long-term debt can be found on pages 32 – 34 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

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WHEATLANDS METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities
Assets	
Cash and Investments - Unrestricted	\$ 2,745,736
Investments - Restricted	541,941
Accounts Receivable	29,038
Due from County Treasurer	15,399
Prepaid Expenditures	23,886
Prepaid Bond Insurance	194,514
Property Taxes Receivable	2,870,934
Capital Assets Not Being Depreciated	1,322,884
Capital Assets, Net of Accumulated Depreciation	2,382,272
Total Assets	10,126,604
Liabilities	
Accounts Payable	51,352
Prepaid Assessments	31,372
Accrued Interest Payable	86,500
Noncurrent Liabilities	
Due Within One Year	436,857
Due In More Than One Year	24,749,668
Total Liabilities	25,355,749
Deferred Inflows of Resources	
Unavailable Revenue - Property Taxes	2,870,934
Net Position	
Net Investment in Capital Assets	3,067,722
Restricted	
Tabor Emergencies	70,600
Debt Service	360,373
ARI Projects	1,496
Park Projects	27,520
Unrestricted	(21,627,790)
Total Net Position	\$ (18,100,079)

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, 2018**

<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>	
Governmental Activities					
General Government	\$ 154,984	\$ -	\$ -	\$ -	\$ (154,984)
Operations	223,352	259,205	-	-	35,853
Parks and Recreation	864,303	654,238	-	-	(210,065)
Aurora Regional Improvements	42,083	-	-	-	(42,083)
Unallocated Depreciation	142,113	-	-	-	(142,113)
Interest on Long-term Debt and Related Costs	1,065,559	-	-	-	(1,065,559)
Total	\$ 2,492,394	\$ 913,443	\$ -	\$ -	(1,578,951)
General Revenues					
					2,583,549
					187,820
					70,074
					11,272
Total General Revenues					2,852,715
Change in Net Position					1,273,764
Net Position - Beginning					(19,373,843)
Net Position - Ending					\$(18,100,079)

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

WHEATLANDS METROPOLITAN DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018**

	General Fund	Special Revenue ARI Fund	Special Revenue Operations Fund
Assets			
Cash and Investments - Unrestricted	\$ 2,470,342	\$ -	\$ 275,394
Cash and Investments - Restricted	-	1,496	-
Accounts Receivable	2,000	-	8,167
Due from County Treasurer	7,699	-	-
Prepaid Expenditures	9,990	-	-
Property Taxes Receivable	1,415,244	40,446	-
Total Assets	\$ 3,905,275	\$ 41,942	\$ 283,561
Liabilities			
Accounts Payable	\$ 51,352	\$ -	\$ -
Prepaid Assessments	-	-	9,653
Total Liabilities	51,352	-	9,653
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	1,415,244	40,446	-
Fund Balances			
Nonspendable			
Prepaid Expenditures	9,990	-	-
Restricted			
TABOR Emergencies	43,000	-	7,800
ARI Projects	-	1,496	-
Park Funds	-	-	-
Debt Service	-	-	-
Assigned			
Capital Replacement Reserve	880,000	-	-
Subsequent Year's Expenditures	1,428,969	-	-
Operations	-	-	266,108
Unassigned	76,720	-	-
Total Fund Balances	2,438,679	1,496	273,908
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,905,275	\$ 41,942	\$ 283,561

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

Special Revenue Park Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ -	\$ 2,745,736
176,625	363,820	541,941
18,871	-	29,038
-	7,700	15,399
13,896	-	23,886
-	1,415,244	2,870,934
<u>\$ 209,392</u>	<u>\$ 1,786,764</u>	<u>\$ 6,226,934</u>
\$ -	\$ -	\$ 51,352
21,719	-	31,372
<u>21,719</u>	<u>-</u>	<u>82,724</u>
-	1,415,244	2,870,934
13,896	-	23,886
19,800	-	70,600
-	-	1,496
13,624	-	13,624
140,353	371,520	511,873
-	-	880,000
-	-	1,428,969
-	-	266,108
-	-	76,720
<u>187,673</u>	<u>371,520</u>	<u>3,273,276</u>
<u>\$ 209,392</u>	<u>\$ 1,786,764</u>	<u>\$ 6,226,934</u>

WHEATLANDS METROPOLITAN DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2018**

Total Fund Balances - Governmental Funds	\$ 3,273,276
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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	\$ 1,322,884	
Capital Assets, Net	<u>2,382,272</u>	3,705,156

Net prepaid bond insurance costs are not financial resources and, therefore, are not reported in the funds	194,514
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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	(24,185,000)	
Bond Premium	(364,091)	
Loan Payable	(637,434)	
Accrued Interest Payable	<u>(86,500)</u>	<u>(25,273,025)</u>

Net Position - Governmental Activities	<u><u>\$(18,100,079)</u></u>
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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, 2018

	<u>General Fund</u>	<u>Special Revenue ARI Fund</u>	<u>Special Revenue Operations Fund</u>
Revenues			
Property Taxes	\$ 1,273,608	\$ 36,372	\$ -
Specific Ownership Taxes	93,910	-	-
Operations and Park Fees	-	-	233,743
Late Charges and Collection Fees	-	-	8,381
Working Capital Fees	-	-	5,000
Clubhouse Rental Fees	-	-	-
Legal - Collections	-	-	5,581
Design Review	-	-	2,150
Violations / Fines	-	-	4,350
Net Investment Income	59,075	16	-
Other	7,823	-	-
Total Revenues	<u>1,434,416</u>	<u>36,388</u>	<u>259,205</u>
Expenditures			
General Government			
Accounting and Audit	61,632	-	3,558
Legal	56,226	-	20,074
Insurance and Bonds	3,306	-	-
Bank Fees	-	-	376
County Treasurer's Fees	19,113	546	-
Directors' Fees	6,136	-	-
Website	6,112	-	-
Operations and Maintenance	-	5,268	59,298
Utilities	-	-	140,046
Miscellaneous	621	-	-
Contribution to South Aurora Regional Improvement Authority	-	36,269	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Paying Agent / Trustee Fees	-	-	-
Total Expenditures	<u>154,984</u>	<u>42,083</u>	<u>223,352</u>
Excess Revenues Over (Under) Expenditures	<u>1,279,432</u>	<u>(5,695)</u>	<u>35,853</u>
Other Financing Sources (Uses)			
Transfers In (Out)	(545,000)	-	-
Net Change in Fund Balances	<u>734,432</u>	<u>(5,695)</u>	<u>35,853</u>
Fund Balances - Beginning	<u>1,704,247</u>	<u>7,191</u>	<u>238,055</u>
Fund Balances - Ending	<u>\$ 2,438,679</u>	<u>\$ 1,496</u>	<u>\$ 273,908</u>

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

Special Revenue Park Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 1,273,569	\$ 2,583,549
-	93,910	187,820
584,436	-	818,179
18,858	-	27,239
10,000	-	15,000
28,388	-	28,388
12,556	-	18,137
-	-	2,150
-	-	4,350
1,512	9,471	70,074
3,449	-	11,272
659,199	1,376,950	3,766,158
10,675	-	75,865
29,561	-	105,861
20,918	-	24,224
846	-	1,222
-	19,112	38,771
-	-	6,136
-	-	6,112
815,983	-	880,549
170,807	-	310,853
-	-	621
-	-	36,269
107,568	275,000	382,568
27,241	1,023,581	1,050,822
2,200	1,000	3,200
1,185,799	1,318,693	2,924,911
(526,600)	58,257	841,247
545,000	-	-
18,400	58,257	841,247
169,273	313,263	2,432,029
\$ 187,673	\$ 371,520	\$ 3,273,276

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, 2018**

Net Change in Fund Balances - Governmental Funds \$ 841,247

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	\$ 184,487	
Depreciation expense	<u>(142,113)</u>	42,374

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		382,568
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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	1,275	
Amortization of bond premium	13,526	
Amortization of bond insurance costs	<u>(7,226)</u>	<u>7,575</u>

Change in Net Position - Governmental Activities \$ 1,273,764

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, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Property Taxes	\$ 1,274,083	\$ 1,273,608	\$ (475)	\$ 747,106
Specific Ownership Taxes	89,190	93,910	4,720	65,046
Net Investment Income	2,500	59,075	56,575	22,865
Other	-	7,823	7,823	2,508
Total Revenues	1,365,773	1,434,416	68,643	837,525
Expenditures				
General Government				
Accounting	63,620	56,932	6,688	59,262
Audit	5,250	4,700	550	4,700
Legal	68,000	56,226	11,774	58,568
Insurance and bonds	2,480	3,306	(826)	2,401
County Treasurer's Fees	19,112	19,113	(1)	11,212
Directors' fees	12,000	6,136	5,864	5,249
Website	5,670	6,112	(442)	2,062
Election	30,000	1,838	28,162	-
Miscellaneous	2,290	621	1,669	1,559
Contingency	12,000	-	12,000	-
Total Expenditures	220,422	154,984	65,438	145,013
Excess Revenues Over (Under) Expenditures	1,145,351	1,279,432	134,081	692,512
Other Financing (Uses)				
Transfers Out	(2,310,648)	(545,000)	1,765,648	(177,000)
Net Change in Fund Balance	(1,165,297)	734,432	1,899,729	515,512
Fund Balance - Beginning	1,462,412	1,704,247	241,835	1,188,735
Fund Balance - Ending	\$ 297,115	\$ 2,438,679	\$ 2,141,564	\$ 1,704,247

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, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Property Taxes	\$ 36,402	\$ 36,372	\$ (30)	\$ 29,884
Net Investment Income	-	16	16	15
Total Revenues	<u>36,402</u>	<u>36,388</u>	<u>(14)</u>	<u>29,899</u>
Expenditures				
General Government				
County Treasurer's Fees	546	546	-	448
Landscape maintenance	7,376	5,268	2,108	10,000
Contribution to South Aurora Regional Improvement Authority	35,856	36,269	(413)	29,436
Total Expenditures	<u>43,778</u>	<u>42,083</u>	<u>1,695</u>	<u>39,884</u>
Net Change in Fund Balance	<u>(7,376)</u>	<u>(5,695)</u>	<u>1,681</u>	<u>(9,985)</u>
Fund Balance - Beginning	<u>7,376</u>	<u>7,191</u>	<u>(185)</u>	<u>17,176</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,496</u>	<u>\$ 1,496</u>	<u>\$ 7,191</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, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Operations Fees	\$ 231,360	\$ 233,743	\$ 2,383	\$ 229,085
Late Charges/Collection Fees	8,310	8,381	71	10,210
Working Capital Fees	2,950	5,000	2,050	6,500
Legal - Collections	12,300	5,581	(6,719)	16,677
Design Review	3,500	2,150	(1,350)	3,800
Violations / Fines	2,400	4,350	1,950	(4,624)
Total Revenues	260,820	259,205	(1,615)	261,648
Expenditures				
General Government				
Accounting	3,990	3,558	432	3,704
Legal	31,060	20,074	10,986	31,863
Billing	13,510	12,313	1,197	12,398
Facilities Management	8,820	8,812	8	8,721
Design Review	3,500	3,253	247	4,766
Covenant Enforcement	25,340	34,920	(9,580)	24,600
Trash Removal	139,670	140,046	(376)	130,719
Bank Charges	1,340	376	964	469
Contingency	10,300	-	10,300	-
Total Expenditures	237,530	223,352	14,178	217,240
Net Change in Fund Balance	23,290	35,853	12,563	44,408
Fund Balance - Beginning	231,205	238,055	6,850	193,647
Fund Balance - Ending	\$ 254,495	\$ 273,908	\$ 19,413	\$ 238,055

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, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Park and Recreation Fees	\$ 575,860	\$ 584,436	\$ 8,576	\$ 519,641
Late Charges/Collection Fees	18,690	18,858	168	22,972
Working Capital Fees	5,900	10,000	4,100	13,000
Clubhouse Rental Fees	15,000	28,388	13,388	18,485
Legal - Collections	27,000	12,556	(14,444)	37,523
Net Investment Income	-	1,512	1,512	779
Other	4,500	3,449	(1,051)	7,442
Total Revenues	646,950	659,199	12,249	619,842
Expenditures				
General Government				
Accounting	11,940	10,675	1,265	11,112
Legal	50,630	29,561	21,069	51,939
Insurance and Bonds	19,970	20,918	(948)	19,384
Bank Charges	1,250	846	404	1,054
Operations and Maintenance	1,988,639	243,996	1,744,643	103,781
Landscape Maintenance	229,920	312,599	(82,679)	171,785
Clubhouse Maintenance	100,000	127,492	(27,492)	66,089
Pool Maintenance	147,140	131,896	15,244	100,837
Utilities	218,360	170,807	47,553	186,738
WPRA Fees	174,960	-	174,960	-
Contingency	15,000	-	15,000	-
Debt Service				
Loan Principal	53,298	107,568	(54,270)	103,449
Loan Interest	14,107	27,241	(13,134)	31,360
Paying Agent / Trustee Fees	2,000	2,200	(200)	2,000
Total Expenditures	3,027,214	1,185,799	1,841,415	849,528
Excess Revenues Over (Under)				
Expenditures	(2,380,264)	(526,600)	1,853,664	(229,686)
Other Financing Sources				
Transfers In	2,310,648	545,000	(1,765,648)	177,000
Net Change in Fund Balance	(69,616)	18,400	88,016	(52,686)
Fund Balance - Beginning	169,616	169,273	(343)	221,959
Fund Balance - Ending	\$ 100,000	\$ 187,673	\$ 87,673	\$ 169,273

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

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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 (“Amended 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, 2018

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 when they are collectible within the current period or soon enough thereafter to pay liabilities

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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, 2018

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, 2018

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, 2018

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, 2018**

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 9).

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, 2018 totaled \$(21,627,790). 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, 2018

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, 2018

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, 2018 are classified in the accompanying financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 67,464	\$ 50,000	\$ 117,464
Investments	<u>2,678,272</u>	<u>491,941</u>	<u>3,170,213</u>
Total	<u>\$ 2,745,736</u>	<u>\$ 541,941</u>	<u>\$ 3,287,677</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 financial services are required by statute to monitor the naming of eligible depositories and

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2018, the District's deposits amounting to \$119,426 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, 2018

As of December 31, 2018, 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>\$ 3,170,213</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, 2018, cash and investments in the amount of \$541,941 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, 2018**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,021,086	\$ -	\$ -	\$ 1,021,086
Construction in Process	117,311	184,487	-	301,798
Subtotal	<u>1,138,397</u>	<u>184,487</u>	-	<u>1,322,884</u>
Capital Assets Being Depreciated				
Parks and Recreation Facilities	3,337,990	-	-	3,337,990
Landscape Improvements	109,651	-	-	109,651
Subtotal	<u>3,447,641</u>	<u>-</u>	<u>-</u>	<u>3,447,641</u>
Less Accumulated Depreciation for				
Parks and Recreation Facilities	(905,900)	(136,972)	-	(1,042,872)
Landscape Improvements	(17,356)	(5,141)	-	(22,497)
Subtotal	<u>(923,256)</u>	<u>(142,113)</u>	<u>-</u>	<u>(1,065,369)</u>
Total Capital Assets Being Depreciated, Net	<u>2,524,385</u>	<u>(142,113)</u>	<u>-</u>	<u>2,382,272</u>
Total Capital Assets, Net	<u>\$ 3,662,782</u>	<u>\$ 42,374</u>	<u>\$ -</u>	<u>\$ 3,705,156</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, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
G.O. Refunding Bonds, Series 2015	\$24,460,000	\$ -	\$ 275,000	\$24,185,000	\$ 325,000
G.O. Limited Tax Convertible to					
Tax-Exempt Revenue Note, Series 2013	745,002	-	107,568	637,434	111,857
Total	<u>25,205,002</u>	<u>\$ -</u>	<u>\$ 382,568</u>	<u>24,822,434</u>	<u>\$ 436,857</u>
Less Current Portion	(382,571)			(436,857)	
Plus Unamortized Original Issue Premium	377,617	\$ -	\$ 13,526	364,091	
Total Long-term Liabilities	<u>\$25,200,048</u>			<u>\$24,749,668</u>	

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

\$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.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	612,605	955,082	1,567,687
2024-2028	2,825,000	4,440,655	7,265,655
2029-2033	3,960,000	3,665,455	7,625,455
2034-2038	5,280,000	2,748,805	8,028,805
2039-2043	6,860,000	1,555,744	8,415,744
2044-2045	3,285,000	204,600	3,489,600
	<u>\$ 24,822,434</u>	<u>\$ 17,600,471</u>	<u>\$ 42,422,905</u>

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 6, 2001	Amount Authorized on November 2, 2004	Authorization Used Series 2005 Bonds	Authorization Used Series 2008 Bonds	Authorization Used Series 2013 Note	Authorized but Unissued
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>

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.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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.

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.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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.

On October 2, 2018, the Districts entered into the First Amendment to the SARIA IGA primarily to confirm that each of the Parties to the SARIA IGA have made their initial contributions to the Authority and to allow for the transfer of the District’s ARI Mill to either the Authority or the Bond Trustee designated by the Authority in writing.

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, net of County treasurer’s fees, 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 (“ARI Master Plan Number One”). On June 15, 2018, the Parties to the SARIA IGA approved the South Aurora Regional Improvement Authority ARI Master Plan Number Two, (“ARI Master Plan Number Two”) which supersedes ARI Master Plan Number One. ARI Master Plan Number Two prioritizes regional improvements projects within the Authority. In accordance with the SARIA IGA, the District remitted \$36,269 to the Authority. Additionally, during 2018, the District utilized \$5,268 of the SARIA funds for improvements benefiting the region, pursuant to the ARI Master Plan.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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 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.

On December 7, 2018, with an effective date of November 1, 2018, the Ground Lease Agreement was terminated.

Wheatlands Park and Recreation Authority

On January 19, 2017, the District entered into the Wheatlands Park and Recreation Authority Establishing Agreement with the High Plains Metropolitan District to create the Wheatlands Park and Recreation Authority ("WPRA"). The WPRA is organized for the purpose of planning, financing, designing, constructing, installing, operating, maintaining, repairing and replacing park and recreation improvements and facilities within the Wheatlands community.

On February 4, 2019 the District entered into an intergovernmental agreement with the WPRA to memorialize among other things, the membership fee defined as the District Rate multiplied by the number of Member Residences. The District Rate is \$30 per month as referenced in Note 6 – Ground Lease Agreement. In addition, the agreement defines the Reserve Fund Payment of \$5.00 per month per Member Residence the District will pay to WPRA until WPRA, at its sole discretion or as otherwise limited by the Applicable Loan Documents, determines the Reserve Fund Payment to be no longer necessary.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 7 – INTERFUND TRANSFERS

During the year ended December 31, 2018, the District transferred \$545,000 from the General Fund to the Special Revenue Park Fund to provide funds related to the construction of Wheatlands Park.

NOTE 8 – 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, 2018. 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 9 – 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.

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

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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.

NOTE 10 – SUBSEQUENT EVENTS

On January 17, 2019, the Board of Directors approved a construction contract amounting to \$873,766 for the construction of Wheatlands Park.

On February 4, 2019 the District entered into a Real Estate Purchase Agreement to sell a parcel of undeveloped land to WPRA. The Authority intends to construct a community recreation center on the land. As of April 5, 2019, the sale has not yet been finalized.

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, 2018

(With Comparative Actual Totals for the Year Ended December 31, 2017)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual
Revenues				
Property Taxes	\$ 1,274,083	\$ 1,273,569	\$ (514)	\$ 1,045,948
Specific Ownership Taxes	89,190	93,910	4,720	91,065
Net Investment Income	1,200	9,471	8,271	4,774
Total Revenues	1,364,473	1,376,950	12,477	1,141,787
Expenditures				
General Government				
County Treasurer's Fees	19,111	19,112	(1)	15,698
Contingency	1,000	-	1,000	-
Debt Service				
Principal - Series 2015	275,000	275,000	-	175,000
Interest - Series 2015	1,023,581	1,023,581	-	1,030,581
Paying Agent / Trustee Fees	1,000	1,000	-	1,000
Total Expenditures	1,319,692	1,318,693	999	1,222,279
Net Change in Fund Balance	44,781	58,257	13,476	(80,492)
Fund Balance - Beginning	301,581	313,263	11,682	393,755
Fund Balance - Ending	\$ 346,362	\$ 371,520	\$ 25,158	\$ 313,263

See the Independent Auditor's Report

OTHER INFORMATION

WHEATLANDS METROPOLITAN DISTRICT

**Schedule of Debt Service Requirements to Maturity
December 31, 2018**

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

Year	Rate	Principal	Interest	Total
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>\$ 24,185,000</u>	<u>\$ 17,532,564</u>	<u>\$ 41,717,564</u>

WHEATLANDS METROPOLITAN DISTRICT

**Schedule of Debt Service Requirements to Maturity
December 31, 2018
(Continued)**

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

Year	Rate	Principal	Interest	Total
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	162,605	3,501	166,106
		<u>\$ 637,434</u>	<u>\$ 67,907</u>	<u>\$ 705,341</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 (4)	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	2,584,555	\$ 2,583,549	99.96%
2018	2019 (3)	\$ 36,669,112	11.1%	38.595	38.595	1.103	78.293	\$2,870,934		

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) Final certified assessed valuation, mill levies for 2018 (2019 collection year) certified in December 2018.
- (4) 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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