

WHEATLANDS METROPOLITAN DISTRICT

Financial Statements

December 31, 2015

WHEATLANDS METROPOLITAN DISTRICT

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Dazzio & 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, 2015, 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, 2015, 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.

Dussio & Associates, P.C.

June 17, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wheatlands Metropolitan District Management's Discussion and Analysis December 31, 2015

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, 2015.

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 2015; the General Fund, Debt Service Fund, Special Revenue – Aurora Regional Improvement ("ARI") Fund, Special Revenue – Operations 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.

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 39.

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, 2015 and December 31, 2014 derived from the government-wide financial statements.

**Wheatlands Metropolitan District
Net Position**

	Governmental Activities	
	2015	2014
Assets:		
Current assets	\$ 3,555,537	\$ 5,655,426
Capital and other assets	3,868,288	3,913,915
Total Assets	7,423,825	9,569,341
Liabilities and Deferred Inflows:		
Current liabilities and deferred inflows	2,175,084	1,794,073
Long-term and other liabilities	25,987,507	66,532,594
Total Liabilities and Deferred Inflows	28,162,591	68,326,667
Net Position:		
Net Investment in capital assets	2,920,451	2,870,401
Restricted	654,089	2,456,428
Unrestricted	(24,313,306)	(64,084,155)
Total Net Position	\$ (20,738,766)	\$ (58,757,326)

At the end of the current fiscal year, the District has a negative unrestricted net position which is primarily a result of the issuance of the Series 2015 Bonds to refund the Series 2005 and Series 2008 Bonds used to finance the construction of infrastructure assets and park and recreation improvements. A portion of the Series 2015 Bonds was also used to pay the \$2,755,000 Repayment Obligation to the Developer. However, Total Net Position increased in 2015 because of the elimination of \$39,963,009 of Developer Advances (see Note 5 of the Notes to the Financial Statements).

The changes in net position for the years ended December 31, 2015 and December 31, 2014 are summarized in the following table:

**Wheatlands Metropolitan District
Change in Net Position**

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Revenues:		
Charges for services	\$ 770,600	\$ 765,903
Capital Grants & Contributions	50,000	-
Property taxes	1,749,253	1,394,057
Interest and other income	18,762	9,045
Termination of Dev Adv Agreements	39,963,009	-
Total Revenues & Special Item	<u>42,551,624</u>	<u>2,169,005</u>
Expenses:		
General government	140,548	193,667
Operations	155,029	157,193
Park & Recreation	553,980	477,808
Aurora Capital Improvements	322	8,532
Interest & depreciation expense	3,683,185	3,760,974
Total Expenses	<u>4,533,064</u>	<u>4,598,174</u>
Change in Net Position	38,018,560	(2,429,169)
Net Position- Beginning	<u>(58,757,326)</u>	<u>(56,328,157)</u>
Net Position- Ending	<u>\$ (20,738,766)</u>	<u>\$ (58,757,326)</u>

The primary reason for the increase in net position for 2015 is the termination of developer advance agreements.

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.

In 2014 the District created the Special Revenue Fund - Operations so that operations revenue and expenditures are shown separate from General Fund revenue and expenditures.

General Fund revenues were \$587,206 in 2015 and \$459,575 in 2014. This increase is primarily related to an increase in tax revenue attributable to a higher assessed value, i.e. there was no change in the mill levy. General Fund expenditures were \$140,548 in 2015 and \$193,667 in 2014. The decrease is primarily because of reduced expenditures for accounting and legal services.

Aurora Regional Improvement (“ARI”) Fund revenues were \$21,430 in 2015 and \$17,133 in 2014. This increase is because of increase tax revenue due to a higher assessed value, i.e. there was no change in the mill levy. ARI Fund expenditures were \$14,497 in 2015 and \$32,231 in 2014. The decrease is because of a decrease in expenditures for regional improvements.

Operations Fund revenues were \$218,063 in 2015 and \$205,443 in 2014. This increase is primarily attributable to increased operations fee revenue from an increased number of residents. Operations Fund expenditures were \$155,029 in 2015 and \$157,193 in 2014.

Park Fund revenue was \$604,202 in 2015 and \$563,654 in 2014. The increase is primarily attributable to a \$50,000 grant for planning a new community park. Park Fund expenditures were \$769,348 in 2015 and \$633,921 in 2014. The increase is because of increased expenditures for the above referenced new community park, community activities, clubhouse repairs and maintenance and utilities.

Debt Fund revenue was \$1,157,714 in 2015 and \$923,200 in 2014. This increase results from an increase in tax revenue from a higher assessed value, i.e. there was no change in the mill levy. The 2015 revenue amount does not include an additional \$25,040,797 in proceeds from the issuance of Series 2015 Bonds. Debt Fund expenditures were \$29,266,337 in 2015 and \$1,948,459 in 2014. Expenditures increase dramatically because they include the refunding of the Series 2005 and 2008 bonds as well as payment of the Repayment Obligation to the developer (see Note 5 in the Notes to the Financial Statements).

As of the end of 2015, the District’s governmental funds reported an ending fund balances of \$1,253,291, a decrease of \$2,716,347 from 2014. The decrease was primarily because of debt service expenditures in excess of current revenue available for debt service payments.

Budget variances: The General Fund ending fund balance finished the year \$28,167 ahead of budget, primarily due to not needing the budget for contingency. 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 \$20,270 ahead of budget as capital expenditures were less than amounts 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 \$44,566 ahead of the final budget due to overall savings in operations. 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 \$298,736 ahead of budget due to savings in maintenance and utility costs as well as grant funds received. A budget to actual statement for the Park Fund can be found on page 20 of this report

The Debt Fund ending fund balance finished the year \$4,850 under the budget due to debt issuance costs exceeding the budgeted amounts. A budget to actual statement for the Debt Fund can be found as part of the supplementary information on page 39 of this report.

Capital assets: The District’s total net capital assets decreased by \$45,627, as a result of current year depreciation expense being greater than 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 31 of this report.

Long-term debt: The overall debt of the District was reduced by \$40,545,087 in 2015. The net decrease in debt is primarily attributable to the termination of certain developer advances and refinancing of the Bonds of the District. 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, PO Box 6607, Broomfield, CO 80021, (303) 379-2874.

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BASIC FINANCIAL STATEMENTS

WHEATLANDS METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2015

	Governmental Activities
Assets	
Cash and Investments - Unrestricted	\$ 570,378
Investments - Restricted	682,700
Accounts Receivable	45,786
Due from County Treasurer	6,744
Prepaid Expenditures	300
Prepaid Bond Insurance	216,194
Property Taxes Receivable	2,033,435
Capital Assets Not Being Depreciated	1,094,706
Capital Assets, Net of Accumulated Depreciation	2,773,582
Total Assets	7,423,825
Liabilities	
Accounts Payable	27,028
Prepaid Assessments	25,589
Accrued Interest Payable	89,032
Noncurrent Liabilities	
Due Within One Year	99,386
Due In More Than One Year	25,888,121
Total Liabilities	26,129,156
Deferred Inflows of Resources	
Unavailable Revenue - Property Taxes	2,033,435
Net Position	
Net Investment in Capital Assets	2,920,451
Restricted	
Labor Emergencies	42,300
Debt Service	278,101
ARI Projects	20,642
Park Projects	313,046
Unrestricted	(24,313,306)
Total Net Position	\$ (20,738,766)

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, 2015**

<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	\$ 140,548	\$ -	\$ -	\$ -	\$ (140,548)
Operations	155,029	217,983	-	-	62,954
Parks and Recreation	553,980	552,617	-	50,000	48,637
Aurora Regional Improvements	322	-	-	-	(322)
Unallocated Depreciation	138,361	-	-	-	(138,361)
Interest on Long-term Debt and Related Costs	3,544,824	-	-	-	(3,544,824)
Total	\$ 4,533,064	\$ 770,600	\$ -	\$ 50,000	(3,712,464)
General Revenues					
					1,626,529
					122,724
					8,043
					10,719
Special Item					
					39,963,009
Total General Revenues and Special Item					
					41,731,024
Change in Net Position					
					38,018,560
Net Position - Beginning					
					(58,757,326)
Net Position - Ending					
					<u><u>\$(20,738,766)</u></u>

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

WHEATLANDS METROPOLITAN DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015**

	<u>General Fund</u>	<u>Special Revenue ARI Fund</u>	<u>Special Revenue Operations Fund</u>
Assets			
Cash and Investments - Unrestricted	\$ 426,337	\$ -	\$ 144,041
Cash and Investments - Restricted	-	20,642	-
Accounts Receivable	-	-	20,038
Due from County Treasurer	2,248	-	-
Prepaid Expenditures	300	-	-
Property Taxes Receivable	859,198	28,640	-
Total Assets	<u>\$ 1,288,083</u>	<u>\$ 49,282</u>	<u>\$ 164,079</u>
Liabilities			
Accounts Payable	\$ 26,219	\$ -	\$ -
Prepaid Assessments	-	-	8,343
Total Liabilities	<u>26,219</u>	<u>-</u>	<u>8,343</u>
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	859,198	28,640	-
Fund Balances			
Nonspendable			
Prepaid Expenditures	300	-	-
Restricted			
TABOR Emergencies	17,600	-	6,600
ARI Projects	-	20,642	-
Park Funds	-	-	-
Debt Service	-	-	-
Assigned			
Capital Replacement Reserve	225,000	-	-
Operations	-	-	149,136
Unassigned	159,766	-	-
Total Fund Balances	<u>402,666</u>	<u>20,642</u>	<u>155,736</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,288,083</u>	<u>\$ 49,282</u>	<u>\$ 164,079</u>

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

Special Revenue Park Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ -	\$ 570,378
461,114	200,944	682,700
25,748	-	45,786
-	4,496	6,744
-	-	300
-	1,145,597	2,033,435
<u>\$ 486,862</u>	<u>\$ 1,351,037</u>	<u>\$ 3,339,343</u>
\$ 809	\$ -	\$ 27,028
17,246	-	25,589
<u>18,055</u>	<u>-</u>	<u>52,617</u>
-	1,145,597	2,033,435
-	-	300
18,100	-	42,300
-	-	20,642
313,046	-	313,046
137,661	205,440	343,101
-	-	225,000
-	-	149,136
-	-	159,766
<u>468,807</u>	<u>205,440</u>	<u>1,253,291</u>
<u>\$ 486,862</u>	<u>\$ 1,351,037</u>	<u>\$ 3,339,343</u>

WHEATLANDS METROPOLITAN DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2015**

Total Fund Balances - Governmental Funds \$ 1,253,291

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	\$ 1,094,706	
Capital Assets, Net	<u>2,773,582</u>	3,868,288

Net prepaid bond insurance costs are not financial resources and, therefore, are not reported in the funds 216,194

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	(24,635,000)	
Bond Premium	(404,670)	
Loan Payable	(947,837)	
Accrued Interest Payable	<u>(89,032)</u>	<u>(26,076,539)</u>

Net Position - Governmental Activities \$(20,738,766)

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, 2015

	General Fund	Special Revenue ARI Fund	Special Revenue Operations Fund
Revenues			
Property Taxes	\$ 535,044	\$ 21,402	\$ -
Specific Ownership Taxes	40,908	-	-
Operations and Park Fees	-	-	189,980
Late Charges and Collection Fees	-	-	1,224
Warning Letter Fees	-	-	4,655
Working Capital Fees	-	-	5,850
Clubhouse Rental Fees	-	-	-
Legal - Collections	-	-	997
Design Review	-	-	3,965
Violations / Fines	-	-	11,312
Grant Income	-	-	-
Net Investment Income	2,070	28	-
Other	9,184	-	80
Total Revenues	587,206	21,430	218,063
Expenditures			
Current			
Accounting and Audit	56,184	-	3,120
Legal	57,354	-	16,192
Insurance and Bonds	3,543	-	-
Bank Fees	-	-	3,441
County Treasurer's Fees	8,036	322	-
Directors' Fees	8,635	-	-
Website	2,100	-	-
Operations and Maintenance	-	-	26,435
Utilities	-	-	105,841
Miscellaneous	4,696	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Paying Agent / Trustee Fees	-	-	-
Bond Issuance Costs	-	-	-
Capital Outlay	-	14,175	-
Total Expenditures	140,548	14,497	155,029
Excess Revenues Over (Under) Expenditures	446,658	6,933	63,034
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Bond Premium	-	-	-
Transfers In (Out)	(195,000)	-	-
Total Other Financing Sources (Uses)	(195,000)	-	-
Net Change in Fund Balances	251,658	6,933	63,034
Fund Balances - Beginning	151,008	13,709	92,702
Fund Balances - Ending	\$ 402,666	\$ 20,642	\$ 155,736

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

Special Revenue Park Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 1,070,083	\$ 1,626,529
-	81,816	122,724
519,210	-	709,190
2,211	-	3,435
-	-	4,655
11,700	-	17,550
15,508	-	15,508
3,988	-	4,985
-	-	3,965
-	-	11,312
50,000	-	50,000
130	5,815	8,043
1,455	-	10,719
<u>604,202</u>	<u>1,157,714</u>	<u>2,588,615</u>
9,358	-	68,662
22,226	-	95,772
18,460	-	22,003
7,792	-	11,233
-	16,071	24,429
-	-	8,635
-	-	2,100
411,063	-	437,498
163,640	-	269,481
-	-	4,696
95,677	26,818,000	26,913,677
39,132	1,926,754	1,965,886
2,000	3,000	5,000
-	502,512	502,512
-	-	14,175
<u>769,348</u>	<u>29,266,337</u>	<u>30,345,759</u>
<u>(165,146)</u>	<u>(28,108,623)</u>	<u>(27,757,144)</u>
-	24,635,000	24,635,000
-	405,797	405,797
195,000	-	-
<u>195,000</u>	<u>25,040,797</u>	<u>25,040,797</u>
29,854	(3,067,826)	(2,716,347)
438,953	3,273,266	3,969,638
<u>\$ 468,807</u>	<u>\$ 205,440</u>	<u>\$ 1,253,291</u>

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, 2015**

Net Change in Fund Balances - Governmental Funds \$ (2,716,347)

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	\$ 92,734	
Depreciation expense	<u>(138,361)</u>	(45,627)

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.

General Obligation Refunding Bond Proceeds	(24,635,000)	
General Obligation Refunding Bond Premium	(405,797)	
Prepaid Bond Insurance Premium Paid	216,796	
Principal Paid on Long Term Debt	26,913,677	
Accrued Interest on Developer Advances	(1,291,929)	
Forgiveness of Developer Advance Principal	22,270,025	
Forgiveness of Developer Advance Accrued Interest	<u>17,692,984</u>	40,760,756

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	19,253	
Amortization of bond premium	1,127	
Amortization of bond insurance costs	<u>(602)</u>	<u>19,778</u>

Change in Net Position - Governmental Activities \$38,018,560

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, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues					
Property Taxes	\$ 535,071	\$ 528,652	\$ 535,044	\$ 6,392	\$ 427,643
Specific Ownership Taxes	32,104	37,006	40,908	3,902	31,783
Net Investment Income	500	1,000	2,070	1,070	149
Other	-	9,168	9,184	16	-
Total Revenues	567,675	575,826	587,206	11,380	459,575
Expenditures					
Current					
Accounting	50,900	53,900	51,484	2,416	101,033
Audit	6,000	4,700	4,700	-	4,700
Legal	65,000	65,000	57,354	7,646	66,011
Insurance and bonds	1,700	3,600	3,543	57	1,207
County Treasurer's Fees	8,026	7,930	8,036	(106)	6,416
Directors' fees	7,000	7,000	8,635	(1,635)	6,244
Bank Fees	-	11,705	-	11,705	2,487
Website	2,500	2,500	2,100	400	2,250
Election	-	-	-	-	2,574
Miscellaneous	11,000	11,000	4,696	6,304	745
Contingency	10,000	10,000	-	10,000	-
Total Expenditures	162,126	177,335	140,548	36,787	193,667
Excess Revenues Over (Under) Expenditures	405,549	398,491	446,658	48,167	265,908
Other Financing (Uses)					
Transfers Out	(175,000)	(175,000)	(195,000)	(20,000)	(175,000)
Net Change in Fund Balance	230,549	223,491	251,658	28,167	90,908
Fund Balance - Beginning	143,341	151,008	151,008	-	60,100
Fund Balance - Ending	\$ 373,890	\$ 374,499	\$ 402,666	\$ 28,167	\$ 151,008

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, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues					
Property Taxes	\$ 21,403	\$ 21,145	\$ 21,402	\$ 257	\$ 17,106
Net Investment Income	100	10	28	18	27
Total Revenues	21,503	21,155	21,430	275	17,133
Expenditures					
Current					
County Treasurer's Fees	321	317	322	(5)	257
Landscape maintenance	-	-	-	-	8,275
Capital Outlay	21,000	34,175	14,175	20,000	23,699
Total Expenditures	21,321	34,492	14,497	19,995	32,231
Net Change in Fund Balance	182	(13,337)	6,933	20,270	(15,098)
Fund Balance - Beginning	10,834	13,709	13,709	-	28,807
Fund Balance - Ending	\$ 11,016	\$ 372	\$ 20,642	\$ 20,270	\$ 13,709

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, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues				
Operations Fees	192,000	\$ 189,980	\$ (2,020)	\$ 172,767
Late Charges and Collection Fees	2,500	1,224	(1,276)	3,266
Warning Letter Fees	1,000	4,655	3,655	828
Working Capital Fees	7,500	5,850	(1,650)	8,989
Legal - Collections	4,000	997	(3,003)	1,376
Design Review	10,000	3,965	(6,035)	9,780
Violations / Fines	2,500	11,312	8,812	8,300
Net Investment Income	-	-	-	28
Other	-	80	80	109
Total Revenues	219,500	218,063	(1,437)	205,443
Expenditures				
Current				
Accounting	5,200	3,120	2,080	2,106
Legal	18,500	16,192	2,308	19,386
Facilities Management	31,300	22,826	8,474	27,220
Design Review	10,000	3,450	6,550	11,485
Trash Removal	115,000	105,841	9,159	96,996
Bank Charges	-	3,441	(3,441)	-
Miscellaneous	-	159	(159)	-
Total Expenditures	180,000	155,029	24,971	157,193
Net Change in Fund Balance	39,500	63,034	23,534	48,250
Fund Balance - Beginning	71,670	92,702	21,032	44,452
Fund Balance - Ending	\$ 111,170	\$ 155,736	\$ 44,566	\$ 92,702

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, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues				
Park and Recreation Fees	\$ 524,340	519,210	\$ (5,130)	\$ 524,145
Late charges and collection fees	4,500	2,211	(2,289)	4,149
Working capital fees	15,000	11,700	(3,300)	14,405
Clubhouse rental fees	12,000	15,508	3,508	12,393
Legal - Collections	10,000	3,988	(6,012)	5,505
Grant Income	-	50,000	50,000	-
Net Investment Income	-	130	130	214
Other	1,000	1,455	455	2,843
Total Revenues	566,840	604,202	37,362	563,654
Expenditures				
Current				
Accounting	10,600	9,358	1,242	12,335
Legal	24,500	22,226	2,274	28,274
Insurance and Bonds	15,500	18,460	(2,960)	15,363
Bank Charges	-	7,792	(7,792)	-
Operations and Maintenance	84,000	111,910	(27,910)	57,333
Landscape Maintenance	220,000	147,235	72,765	141,745
Clubhouse Maintenance	95,200	71,231	23,969	30,107
Pool Maintenance	107,500	80,687	26,813	59,425
Utilities	240,000	163,640	76,360	123,321
Debt Service				
Loan Principal	95,677	95,677	-	92,010
Loan Interest	39,132	39,132	-	42,799
Paying Agent / Trustee Fees	2,000	2,000	-	2,000
Capital Outlay	-	-	-	29,209
Total Expenditures	934,109	769,348	164,761	633,921
Excess Revenues Over (Under)				
Expenditures	(367,269)	(165,146)	202,123	(70,267)
Other Financing Sources				
Transfers In	175,000	195,000	20,000	175,000
Net Change in Fund Balance	(192,269)	29,854	222,123	104,733
Fund Balance - Beginning	362,340	438,953	76,613	334,220
Fund Balance - Ending	\$ 170,071	\$ 468,807	\$ 298,736	\$ 438,953

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

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 – DEFINITION OF 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, 2015

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.

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 of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and operations fees. All other revenue

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation 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 1.000 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted first, then unrestricted resources as they are needed.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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.

During the year ended December 31, 2015, supplementary appropriations approved by the District modified the appropriation from \$337,126 to \$352,335 in the General Fund; from \$21,321 to \$34,492 in the Special Revenue – Aurora Regional Improvements (ARI) Fund; and from \$2,046,277 to \$29,242,584 in the Debt Service Fund.

Excess of expenditures over appropriations

For the year ended December 31, 2015, expenditures exceeded appropriations in the Debt Service Fund by \$23,753. This may be a violation of Colorado Revised Statutes.

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.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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.

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 fee of \$45 to all property owners in the District, for the operation and maintenance of the park and recreation functions of the District.

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	25 years

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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 Balances

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 is intended to reflect the portion of net position that is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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, 2015 totaled \$(24,313,306). 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.

Fund Balances

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

The following classifications describe the relative strength of the spending constraints:

- ***Nonspendable*** fund balance — the amount of fund balance that is not in spendable form (such as inventory or prepaid items) or is legally or contractually required to be maintained intact.
- ***Restricted*** fund balance — the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- ***Committed*** fund balance — amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- ***Assigned*** fund balance — amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

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.

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

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

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.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 570,378
Cash and investments - Restricted	<u>682,700</u>
Total cash and investments	<u>\$ 1,253,078</u>

Cash and investments as of December 31, 2015 consist of the following:

Cash	\$ 228,621
Investments	<u>1,024,457</u>
Total cash and investments	<u>\$ 1,253,078</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 Regulatory Commissions for banks and 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, 2015, the District's deposits amounting to \$252,664 were either insured by federal depository insurance or collateralized with securities held by the financial institutions' agents but not in the District's name.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

Investments

As of December 31, 2015, the District had the following investments:

	<u>Fair Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	\$1,024,457

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.

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

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), 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

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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.

Restricted Cash and Investments

At December 31, 2015, cash and investments in the amount of \$682,700 are restricted. This includes cash and investments held by the ARI Fund, the Park Fund and the Debt Service Fund, pursuant to applicable bond covenants (see Note 5).

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2015 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,021,086	\$ -	\$ -	\$ 1,021,086
Construction in Process	-	73,620	-	73,620
Subtotal	<u>1,021,086</u>	<u>73,620</u>	<u>-</u>	<u>1,094,706</u>
Capital Assets Being Depreciated				
Parks and Recreation Facilities	3,309,660	13,300	-	3,322,960
Landscape Improvements	86,009	5,814	-	91,823
Subtotal	<u>3,395,669</u>	<u>19,114</u>	<u>-</u>	<u>3,414,783</u>
Less Accumulated Depreciation for				
Parks and Recreation Facilities	(498,589)	(134,804)	-	(633,393)
Landscape Improvements	(4,251)	(3,557)	-	(7,808)
Subtotal	<u>(502,840)</u>	<u>(138,361)</u>	<u>-</u>	<u>(641,201)</u>
Total Capital Assets Being Depreciated, Net	<u>2,892,829</u>	<u>(119,247)</u>	<u>-</u>	<u>2,773,582</u>
Total Capital Assets, Net	<u>\$ 3,913,915</u>	<u>\$ (45,627)</u>	<u>\$ -</u>	<u>\$ 3,868,288</u>

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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, 2015:

	<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	\$ -	\$24,635,000	\$ -
G.O. Limited Tax Convertible to Unlimited Tax Bonds, Series 2005	11,818,000	-	11,818,000	-	-
Subordinate G.O. Limited Tax Convertible to Unlimited Tax Bonds, Series 2008	12,245,000	-	12,245,000	-	-
Tax-Exempt Revenue Note, Series 2013	1,043,514	-	95,677	947,837	99,386
Developer Advances:					
Operating	1,446,657	-	1,446,657	-	-
Capital	20,823,368	-	20,823,368	-	-
Debt Service Guaranty	2,755,000	-	2,755,000	-	-
Accrued Interest	16,401,055	1,291,929	17,692,984	-	-
Total	66,532,594	<u>\$25,926,929</u>	<u>\$66,876,686</u>	25,582,837	<u>\$ 99,386</u>
Less Current Portion	(391,677)			(99,386)	
Plus Unamortized Original Issue Premium	-	<u>\$ 405,797</u>	<u>\$ 1,127</u>	404,670	
Total Long-term Liabilities	<u>\$66,140,917</u>			<u>\$25,888,121</u>	

\$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 the Debt Service Guaranty Agreement amounting to \$2,755,000 (see the section, “Developer Advances” below). 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.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

\$21,650,000 General Obligation Bonds Limited Tax Convertible to Unlimited Tax, Series 2005

On September 28, 2005, the District issued \$21,650,000 in Limited Tax Convertible to Unlimited Tax General Obligation Bonds. The bonds are term bonds maturing on December 1, 2025 and December 1, 2035 and are subject to mandatory sinking fund redemption beginning on December 1, 2011 through December 1, 2035 in varying amounts as outlined in the Indenture of Trust. The bonds have an interest rate of 6.000% and 6.125%, respectively, paid semi-annually on June 1 and December 1. The bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2015 and on any date thereafter with no redemption premium. The bonds were also subject to mandatory excess funds redemption on December 1, 2008, solely from and to the extent of any moneys held in the Restricted Account of the Construction Fund on October 1, 2008. As a result of this mandatory redemption covenant, on September 10, 2008, the District redeemed Series 2005 Bonds in the amount of \$9,211,000, with the remaining money held in the Restricted Account of the Construction Fund. As mentioned above, these bonds were refunded by the issuance of the 2015 General Obligation Refunding Bonds.

\$12,245,000 Subordinate General Obligation Bonds, Limited Tax Convertible to Unlimited Tax, Series 2008.

The District issued the 2008 Bonds on September 10, 2008, in the initial principal amount of \$12,245,000, at a coupon rate of 8.25%. The proceeds from the sale of the Bonds were used for the purposes of (i) paying a portion of the costs of capital infrastructure improvements or reimbursing the Developer for the advancement of those costs; (ii) providing a Reserve Fund; (iii) establishing a capital interest fund, and (iv) paying costs of issuance of the 2008 Bonds. As mentioned above, these bonds were refunded by the issuance of the 2015 General Obligation Refunding Bonds.

\$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 loan is further secured by the Reserve Fund which was funded from loan proceeds amounting to \$65,000.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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>
2016	\$ 99,386	\$ 1,066,004	\$ 1,165,390
2017	278,449	1,061,941	1,340,390
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
2021-2025	2,694,315	4,778,914	7,473,229
2026-2030	3,250,000	4,163,905	7,413,905
2031-2035	4,465,000	3,316,205	7,781,205
2036-2040	5,875,000	2,313,874	8,188,874
2041-2045	7,610,000	973,913	8,583,913
	<u>\$ 25,582,837</u>	<u>\$ 20,779,237</u>	<u>\$ 46,362,074</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, 2015, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Amount Authorized on November 6, 2001</u>	<u>Amount Authorized on November 2, 2004</u>	<u>Authorization Used Series 2005 Bonds</u>	<u>Authorization Used Series 2008 Bonds</u>	<u>Authorization Used Series 2013 Note</u>	<u>Authorized but Unissued</u>
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, 2015

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. 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 7).

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.

Developer Advances

The District has entered into a Reimbursement Agreement with the Developer as follows:

Reimbursement Agreement

District No. 1 entered into a reimbursement agreement with Wheatlands Residential Developers, Inc., Wheatlands Commercial Developers, Inc. and Wheatlands Development, LLC ("the Developer Entities"). The agreement, which is tied back to the District through the Master IGA, stipulates that the District shall reimburse the Developer for any advances made to the District, together with interest at the rate of 7% per annum. The District shall make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, and debt service costs and expenses of the District.

During 2011, the Developer advanced \$4,000,000 to the District's debt service guaranty fund associated with the 2008 Bonds. The maximum amount payable under the Guaranty Agreement by the District to the Developer is \$2,755,000 (the "Repayment Obligation"). An interest rate of 8.25% per annum applies to the \$2,755,000 Repayment Obligation.

On September 9, 2015, the District and the Developer entered into an Acknowledgement, Termination and Release Agreement ("Termination Agreement"). Per the Termination Agreement, upon payment by the District to Wheatlands Residential Developers, Inc., the amount of \$2,755,000 in satisfaction of the Guaranty Agreement, the District and the Developer Entities agree that the Reimbursement Agreement shall be automatically terminated in its entirety, with no further action required by the Parties. Additionally, all amounts remaining due and outstanding under the Reimbursement Agreement, including all accrued interest and Advances are hereby forgiven in their entirety, and shall be deemed a contribution to the District by the Developer Entities, and there shall be no further obligation, present or

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS December 31, 2015

future, of the District or District No. 1 to pay or reimburse the Developer Entities with respect to such amounts. Therefore, all developer advance principal and accrued interest as of September 22, 2015, representing the closing date of the 2015 Refunding Bonds, has been removed from the District's books and reported as a special item in the financial statements.

NOTE 6 – INTERFUND TRANSFER

The General Fund transferred \$195,000 to the Special Revenue – Park Fund to finance various programs accounted for in that fund.

NOTE 7 – 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, 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.

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.

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 and other unrelated metropolitan districts, to form the Aurora Regional Improvement Authority No. 5. Pursuant to the Service Plan, the District is required to impose the Aurora Regional Improvement (ARI) Mill

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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. As of December 31, 2015, the District has collected \$113,650 under the ARI mill levy. The funds and interest earned are held in a CSAFE account until the Authority requests the funds. During 2015, the District, in accordance with the ARI IGA, utilized \$14,175 of the ARI funds for improvements benefiting the region.

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.

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, 2015. 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

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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 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

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

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2014 Actual
Revenues					
Property Taxes	\$ 1,070,141	\$ 1,057,300	\$ 1,070,083	\$ 12,783	\$ 855,287
Specific Ownership Taxes	64,209	74,011	81,816	7,805	62,238
Net Investment Income	7,500	7,500	5,815	(1,685)	5,675
Total Revenues	1,141,850	1,138,811	1,157,714	18,903	923,200
Expenditures					
Current					
County Treasurer's Fees	16,051	15,859	16,071	(212)	12,833
Debt Service					
Principal - Series 2005	221,000	11,818,000	11,818,000	-	190,000
Principal - Series 2008	75,000	12,245,000	12,245,000	-	-
Principal - Developer Advance	-	2,755,000	2,755,000	-	-
Interest - Series 2005	719,013	719,013	719,013	-	730,413
Interest - Series 2008	1,010,213	1,010,213	1,010,213	-	1,010,213
Interest - Series 2015	-	197,528	197,528	-	-
Paying Agent / Trustee Fees	5,000	3,000	3,000	-	5,000
Bond Issuance Costs	-	478,971	502,512	(23,541)	-
Total Expenditures	2,046,277	29,242,584	29,266,337	(23,753)	1,948,459
Excess Revenues Over (Under)					
Expenditures	(904,427)	(28,103,773)	(28,108,623)	(4,850)	(1,025,259)
Other Financing Sources (Uses)					
Bond Proceeds	-	24,635,000	24,635,000	-	-
Bond Premium	-	405,797	405,797	-	-
Total Other Financing Sources	-	25,040,797	25,040,797	-	-
Net Change in Fund Balance	(904,427)	(3,062,976)	(3,067,826)	(4,850)	(1,025,259)
Fund Balance - Beginning	3,270,811	3,273,266	3,273,266	-	4,298,525
Fund Balance - Ending	\$ 2,366,384	\$ 210,290	\$ 205,440	\$ (4,850)	\$ 3,273,266

See the Independent Auditor's Report

OTHER INFORMATION

WHEATLANDS METROPOLITAN DISTRICT

**Schedule of Debt Service Requirements to Maturity
December 31, 2015**

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

Year	Rate	Principal	Interest	Total
2016		\$ -	\$ 1,030,581	\$ 1,030,581
2017	4.000	175,000	1,030,581	1,205,581
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>\$ 24,635,000</u>	<u>\$ 20,617,307</u>	<u>\$ 45,252,307</u>

WHEATLANDS METROPOLITAN DISTRICT

Schedule of Debt Service Requirements to Maturity

December 31, 2015

(Continued)

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

Series 2013

Year	Rate	Principal	Interest	Total
2016	3.860	\$ 99,386	\$ 35,423	\$ 134,809
2017	3.860	103,449	31,360	134,809
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	3,504	166,106
		<u>\$ 947,837</u>	<u>\$ 161,930</u>	<u>\$ 1,109,767</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)				
2010	2011	\$ 11,268,920	-	25.000	50.000	1.000	76.000	\$ 856,438	\$ 839,580	98.03%
2011	2012	12,239,060	8.6%	25.000	50.000	1.000	76.000	930,169	922,376	99.16%
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 (2)	\$ 28,639,921	33.8%	30.000	40.000	1.000	71.000	\$2,033,434	N/A	N/A

Notes:

- (1) Represents a contractual obligation for Aurora Regional Improvements.
- (2) Final certified assessed valuation, mill levies for 2015 (2016 collection year) certified in December 2015.
- (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.