

**WHEATLANDS METROPOLITAN DISTRICT**

**Financial Statements**

**December 31, 2024**

# WHEATLANDS METROPOLITAN DISTRICT

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Dazzo & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Wheatlands Metropolitan District  
Arapahoe County, Colorado

### ***Opinions***

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 ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, the Special Revenue – Aurora Regional Improvements (ARI) Fund, the Special Revenue – Operations Fund and the Special Revenue – Park and Recreation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge

we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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.

***Other Information***

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Duggio & Associates, P.C.*

July 8, 2025

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

**Wheatlands Metropolitan District  
Management’s Discussion and Analysis  
December 31, 2024**

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, 2024.

**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 and Recreation 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 pages 12 and 14 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 15 through 18 to demonstrate compliance with this budget. The budgetary comparison for the Debt Service Fund is provided as part of the Supplementary Information on page 42.

**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 19 of this report.

**Government-wide Financial Analysis:** The following table shows a condensed statement of net position as of December 31, 2023 and December 31, 2024 derived from the government-wide financial statements.

**Wheatlands Metropolitan District  
Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2024</b>
<b>Assets:</b>		
Current assets	\$ 7,017,634	\$ 7,530,427
Capital and other assets	6,864,116	13,789,443
<b>Total Assets</b>	<b>13,881,750</b>	<b>21,319,870</b>
<b>Liabilities and Deferred Inflows:</b>		
Current liabilities and deferred inflows	4,003,652	4,186,465
Long-term and other liabilities	22,506,457	28,969,345
<b>Total Liabilities and Deferred Inflows</b>	<b>26,510,109</b>	<b>33,155,810</b>
<b>Net Position:</b>		
Net Investment in capital assets	6,705,735	6,666,874
Restricted	389,353	230,437
Unrestricted, As Restated	(19,723,447)	(18,733,251)
<b>Total Net Position</b>	<b>\$ (12,628,359)</b>	<b>\$ (11,835,940)</b>

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, 2023 and December 31, 2024 are summarized in the following table:

**Wheatlands Metropolitan District  
Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2024</b>
<b>Revenues:</b>		
Charges for services	\$ 962,222	\$ 1,067,963
Operating Grants & Contributions	39,502	50,173
Property taxes	3,365,100	4,096,662
Interest and other income	183,869	215,152
<b>Total Revenues</b>	<b>4,550,693</b>	<b>5,429,950</b>
<b>Expenses:</b>		
General government	203,936	224,959
Operations	274,314	280,104
Park & Recreation	1,567,798	1,845,759
Aurora Capital Improvements	52,621	69,551
Interest & depreciation expense	1,348,454	2,217,158
<b>Total Expenses</b>	<b>3,447,123</b>	<b>4,637,531</b>
<b>Change in Net Position</b>	<b>1,103,570</b>	<b>792,419</b>
<b>Net Position- Beginning</b>	<b>(13,731,929)</b>	<b>(12,628,359)</b>
<b>Net Position- Ending</b>	<b>\$ (12,628,359)</b>	<b>\$ (11,835,940)</b>

The primary contributing factors for the increase in net position in 2024 and 2023 is capital additions being less than depreciation expense, interest revenues due to historically higher interest rates and repayments of long-term debt.

**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 \$2,971,527 in 2024 and \$2,097,877 in 2023. This increase is primarily related to an increase in both property taxes and interest earnings. General Fund expenditures were \$224,959 in 2024 and \$203,936 in 2023.

Aurora Regional Improvement (“ARI”) Fund revenues were \$69,551 in 2024 and \$52,621 in 2023. ARI Fund expenditures were \$69,551 in 2024 and \$52,621 in 2023. 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 \$296,337 in 2024 and \$266,224 in 2023. Expenditures were \$280,104 in 2024 and \$274,314 in 2023. This increase is due to increased costs in covenant compliance, professional services such as legal and accounting, and facilities management.

Park and Recreation Fund revenues were \$830,420 in 2024 and \$735,500 in 2023. Park and Recreation Fund expenditures were \$4,607,559 in 2024 and \$2,138,182 in 2023. Expenditures increased in 2024 primarily due to the completion for capital improvements and a portion of the purchase of the recreation center.

Debt Service Fund revenues were \$1,262,115 in 2024 and \$1,398,471 in 2023. Debt Service Fund expenditures were \$7,021,518 (including a portion of the purchase of the recreation center and loan issuance costs) in 2024 and \$1,421,722 in 2023.

As of the end of 2024, the District’s governmental fund reported an ending fund balance of \$3,445,673, an increase of \$353,893 from the prior year. These additional funds are being held for spending in future years, primarily for upcoming capital needs.

**Budget variances:** The General Fund ending fund balance finished the year \$599,430 ahead of the amended budget because increased tax revenue and interest income and administrative costs were less than budgeted and the budgeted contingency was not needed. A budget to actual statement for the General Fund can be found on page 15 of this report.

The ARI Fund ending fund balance finished the year substantially equal to budget. For more information related to South Aurora Regional Improvement Authority Establishment Agreement see page 36. A budget to actual statement for the ARI Fund can be found on page 16 of this report.

The Operations Fund ending fund balance finished the year \$13,706 ahead of budget because the District had savings in operating expenditures compared to budget and unused contingency funds. A budget to actual statement for the Operations Fund can be found on page 17 of this report.

The Park and Recreation Fund ending fund balance finished the year short of the amended budget by \$2,738. Expenditures were less than budget due to savings in landscaping and snow removal as well as not needing the budget for contingency. These savings allowed the District to decrease the transfer from the General Fund. A budget to actual statement for the Park and Recreation Fund can be found on page 18 of this report.

The Debt Service Fund ending fund balance finished the year \$106,547 ahead of budget due to increased specific ownership taxes and interest income as well as required loan payments and related expenses being less than budgeted. A budget to actual statement for the Debt Fund can be found as part of the supplementary information on page 41 of this report.

**Capital assets:** The District's total net capital assets increased by \$6,932,553 because of the addition of the recreation center and other landscape and facilities improvements. 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 increased by \$6,462,888 in 2024. In connection with the purchase of the recreation center, the District issued loans of \$6,973,000 and assumed an equipment lease of \$154,634. A principal payment of \$495,000 was made on the Series 2015 Bonds and the premium of the original issue premium for the Series 2015 bonds was amortized. Further details of long-term debt can be found on pages 31 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) 210-9136.

## **BASIC FINANCIAL STATEMENTS**

**WHEATLANDS METROPOLITAN DISTRICT**

**STATEMENT OF NET POSITION  
December 31, 2024**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Investments - Unrestricted	\$ 3,015,412
Investments - Restricted	200,604
Accounts Receivable	89,628
Receivable from County Treasurer	22,300
Other Receivables	27,722
Prepaid Expenses	180,308
Prepaid Bond Insurance	151,155
Property Taxes Receivable	3,994,453
Capital Assets, Net of Accumulated Depreciation	13,638,288
<b>Total Assets</b>	<b>21,319,870</b>
<b>Liabilities</b>	
Accounts Payable	50,914
Prepaid Assessments	33,803
Deposits	5,584
Accrued Interest Payable	101,711
Noncurrent Liabilities	
Due Within One Year	886,961
Due In More Than One Year	28,082,384
<b>Total Liabilities</b>	<b>29,161,357</b>
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue - Property Taxes	3,994,453
<b>Net Position</b>	
Net Investment in Capital Assets	6,666,874
Restricted	
Labor Emergencies	124,700
Debt Service	105,737
Unrestricted	(18,733,251)
<b>Total Net Position</b>	<b>\$ (11,835,940)</b>

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



**WHEATLANDS METROPOLITAN DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2024**

	<b>General Fund</b>	<b>Special Revenue ARI Fund</b>	<b>Special Revenue Operations Fund</b>	<b>Special Revenue Park and Recreation Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash and Investments - Unrestricted	\$ 2,155,033	\$ -	\$ 342,988	\$ 517,391	\$ -	\$ 3,015,412
Investments - Restricted	-	-	-	-	200,604	200,604
Accounts Receivable	-	-	28,169	61,459	-	89,628
Receivable from County Treasurer	15,456	-	-	-	6,844	22,300
Other Receivables	-	-	-	27,722	-	27,722
Prepaid Expenditures	3,116	-	-	177,192	-	180,308
Property Taxes Receivable	2,177,199	69,681	-	-	1,747,573	3,994,453
<b>Total Assets</b>	<b>\$ 4,350,804</b>	<b>\$ 69,681</b>	<b>\$ 371,157</b>	<b>\$ 783,764</b>	<b>\$ 1,955,021</b>	<b>\$ 7,530,427</b>
<b>Liabilities</b>						
Accounts Payable	\$ 50,914	\$ -	\$ -	\$ -	\$ -	\$ 50,914
Prepaid Assessments	-	-	10,624	23,179	-	33,803
Deposits	-	-	-	5,584	-	5,584
<b>Total Liabilities</b>	<b>50,914</b>	<b>-</b>	<b>10,624</b>	<b>28,763</b>	<b>-</b>	<b>90,301</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Property Taxes	2,177,199	69,681	-	-	1,747,573	3,994,453
<b>Fund Balances</b>						
Nonspendable						
Prepaid Expenditures	3,116	-	-	177,192	-	180,308
Restricted						
TABOR Emergencies	90,900	-	8,900	24,900	-	124,700
Debt Service	-	-	-	-	207,448	207,448
Assigned						
Capital Replacement Reserve	1,270,000	-	-	-	-	1,270,000
Recreation Center Capital	-	-	-	450,000	-	450,000
Subsequent Year's Expenditures	269,093	-	-	-	-	269,093
Operations	-	-	351,633	-	-	351,633
Parks and Recreation	-	-	-	102,909	-	102,909
Unassigned	489,582	-	-	-	-	489,582
<b>Total Fund Balances</b>	<b>2,122,691</b>	<b>-</b>	<b>360,533</b>	<b>755,001</b>	<b>207,448</b>	<b>3,445,673</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,350,804</b>	<b>\$ 69,681</b>	<b>\$ 371,157</b>	<b>\$ 783,764</b>	<b>\$ 1,955,021</b>	<b>\$ 7,530,427</b>

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

**WHEATLANDS METROPOLITAN DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
December 31, 2024**

<b>Total Fund Balances - Governmental Funds</b>		\$ 3,445,673
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, Net		13,638,288
Net prepaid bond insurance costs are not financial resources and, therefore, are not reported in the funds		
		151,155
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	(21,715,000)	
Bond Premium	(282,931)	
Loan Payable	(5,593,000)	
Note Payable	(1,265,000)	
Lease Payable	(113,414)	
Accrued Interest Payable	(101,711)	(29,071,056)
<b>Net Position - Governmental Activities</b>		<b>\$ (11,835,940)</b>

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

WHEATLANDS METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2024

	General Fund	Special Revenue ARI Fund	Special Revenue Operations Fund	Special Revenue Park and Recreation Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$ 2,589,176	\$ 69,551	\$ -	\$ -	\$ 1,146,653	\$ 3,805,380
State Property Tax Backfill	66,298	-	-	-	-	66,298
Specific Ownership Taxes	155,928	-	-	-	69,056	224,984
Operations and Park Fees	-	-	277,992	707,928	-	985,920
Late Charges and Collection Fees	-	-	7,236	16,281	-	23,517
Working Capital Fees	-	-	2,650	5,300	-	7,950
Clubhouse Rental Fees	-	-	-	33,603	-	33,603
Legal - Collections	-	-	3,784	8,514	-	12,298
Violations / Fines	-	-	4,675	-	-	4,675
YMCA Lease Reimbursement	-	-	-	45,142	-	45,142
Interest Income	160,116	-	-	8,621	46,406	215,143
Other	9	-	-	5,031	-	5,040
<b>Total Revenues</b>	<u>2,971,527</u>	<u>69,551</u>	<u>296,337</u>	<u>830,420</u>	<u>1,262,115</u>	<u>5,429,950</u>
<b>Expenditures</b>						
General Government						
Accounting and Audit	95,936	-	5,885	17,654	-	119,475
Legal	72,476	-	22,570	48,198	-	143,244
Insurance and Bonds	5,768	-	-	52,379	-	58,147
Bank Fees	-	-	1,422	1,675	-	3,097
County Treasurer's Fees	39,854	1,043	-	-	17,210	58,107
Directors' Fees	8,417	-	-	-	-	8,417
Election	417	-	-	-	-	417
Website	848	-	-	-	-	848
Operations and Maintenance	-	-	87,590	1,293,715	-	1,381,305
Utilities	-	-	154,468	211,915	-	366,383
Miscellaneous	1,243	-	8,169	-	-	9,412
Contribution to South Aurora Regional Improvement Authority	-	68,508	-	-	-	68,508
WPRA Fees	-	-	-	561,354	-	561,354
Debt Service						
Principal	-	-	-	156,220	495,000	651,220
Interest	-	-	-	3,462	1,110,413	1,113,875
Paying Agent / Trustee Fees	-	-	-	-	2,799	2,799
Loan Issuance Costs	-	-	-	-	435,066	435,066
Capital Outlay	-	-	-	51,353	4,961,030	5,012,383
Capital Outlay - Recreation Center	-	-	-	2,209,634	-	2,209,634
<b>Total Expenditures</b>	<u>224,959</u>	<u>69,551</u>	<u>280,104</u>	<u>4,607,559</u>	<u>7,021,518</u>	<u>12,203,691</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>2,746,568</u>	<u>-</u>	<u>16,233</u>	<u>(3,777,139)</u>	<u>(5,759,403)</u>	<u>(6,773,741)</u>
<b>Other Financing Sources (Uses)</b>						
Note/Loan Proceeds	-	-	-	1,380,000	5,593,000	6,973,000
Lease Proceeds	-	-	-	154,634	-	154,634
Transfers In (Out)	(2,877,506)	-	-	2,877,506	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,877,506)</u>	<u>-</u>	<u>-</u>	<u>4,412,140</u>	<u>5,593,000</u>	<u>7,127,634</u>
<b>Net Change in Fund Balances</b>	<u>(130,938)</u>	<u>-</u>	<u>16,233</u>	<u>635,001</u>	<u>(166,403)</u>	<u>353,893</u>
<b>Fund Balances - Beginning</b>	<u>2,253,629</u>	<u>-</u>	<u>344,300</u>	<u>120,000</u>	<u>373,851</u>	<u>3,091,780</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,122,691</u>	<u>\$ -</u>	<u>\$ 360,533</u>	<u>\$ 755,001</u>	<u>\$ 207,448</u>	<u>\$ 3,445,673</u>

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

**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, 2024**

**Net Change in Fund Balances - Governmental Funds** \$ 353,893

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	\$ 7,563,148
Depreciation expense	(630,595)

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	(5,593,000)
General Obligation Refunding Bond Premium	(1,380,000)
Lease Proceeds	(154,634)
Principal Paid on Long Term Debt	651,220

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	(23,913)
Amortization of bond premium	13,526
Amortization of bond insurance costs	(7,226)

<b>Change in Net Position - Governmental Activities</b>	<b>\$ 792,419</b>
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The notes to the financial statements are an integral part of this statement.

**WHEATLANDS METROPOLITAN DISTRICT**

**GENERAL FUND**

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

**For the Year Ended December 31, 2024**

**(With Comparative Actual Totals for the Year Ended December 31, 2023)**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2023 Actual</b>
<b>Revenues</b>					
Property Taxes	\$ 2,599,986	\$ 2,599,986	\$ 2,589,176	\$ (10,810)	\$ 1,830,006
State Property Tax Backfill	-	-	66,298	66,298	-
Specific Ownership Taxes	106,793	106,793	155,928	49,135	121,943
Interest Income	141,000	141,000	160,116	19,116	145,570
Other	-	-	9	9	358
<b>Total Revenues</b>	<b>2,847,779</b>	<b>2,847,779</b>	<b>2,971,527</b>	<b>123,748</b>	<b>2,097,877</b>
<b>Expenditures</b>					
General Government					
Accounting	95,200	95,200	90,336	4,864	89,086
Audit	5,600	5,600	5,600	-	5,400
Legal	72,800	72,800	72,476	324	63,639
Insurance and bonds	5,600	5,600	5,768	(168)	5,405
County Treasurer's Fees	39,000	39,000	39,854	(854)	27,462
Directors' fees	12,000	12,000	8,417	3,583	8,535
Bank Fees	-	-	-	-	53
Website	2,500	2,500	848	1,652	1,548
Election	1,000	1,000	417	583	2,581
Miscellaneous	2,500	2,500	1,243	1,257	227
Contingency	30,000	30,000	-	30,000	-
<b>Total Expenditures</b>	<b>266,200</b>	<b>266,200</b>	<b>224,959</b>	<b>41,241</b>	<b>203,936</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>2,581,579</b>	<b>2,581,579</b>	<b>2,746,568</b>	<b>164,989</b>	<b>1,893,941</b>
<b>Other Financing (Uses)</b>					
Transfers Out	(1,815,718)	(3,990,718)	(2,877,506)	1,113,212	(1,422,682)
<b>Net Change in Fund Balance</b>	<b>765,861</b>	<b>(1,409,139)</b>	<b>(130,938)</b>	<b>1,278,201</b>	<b>471,259</b>
<b>Fund Balance - Beginning</b>	<b>2,166,539</b>	<b>2,932,400</b>	<b>2,253,629</b>	<b>(678,771)</b>	<b>1,782,370</b>
<b>Fund Balance - Ending</b>	<b>\$ 2,932,400</b>	<b>\$ 1,523,261</b>	<b>\$ 2,122,691</b>	<b>\$ 599,430</b>	<b>\$ 2,253,629</b>

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

**WHEATLANDS METROPOLITAN DISTRICT**

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

**For the Year Ended December 31, 2024**

**(With Comparative Actual Totals for the Year Ended December 31, 2023)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2023 Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 69,842	\$ 69,551	\$ (291)	\$ 52,621
Other	2,500	-	(2,500)	-
<b>Total Revenues</b>	<u>72,342</u>	<u>69,551</u>	<u>(2,791)</u>	<u>52,621</u>
<b>Expenditures</b>				
General Government				
County Treasurer's Fees	1,048	1,043	5	790
Contingency	2,500	-	2,500	-
Contribution to SARIA	68,794	68,508	286	51,831
<b>Total Expenditures</b>	<u>72,342</u>	<u>69,551</u>	<u>2,791</u>	<u>52,621</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning</b>	-	-	-	-
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2024**

**(With Comparative Actual Totals for the Year Ended December 31, 2023)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2023 Actual</b>
<b>Revenues</b>				
Operations Fees	\$ 277,992	\$ 277,992	\$ -	\$ 252,720
Late Charges/Collection Fees	5,475	7,236	1,761	5,567
Working Capital Fees	3,000	2,650	(350)	2,450
Legal - Collections	5,500	3,784	(1,716)	212
Violations / Fines	5,000	4,675	(325)	5,275
<b>Total Revenues</b>	<b>296,967</b>	<b>296,337</b>	<b>(630)</b>	<b>266,224</b>
<b>Expenditures</b>				
General Government				
Accounting	6,000	5,885	115	5,568
Legal	23,900	22,570	1,330	24,359
Billing	14,350	13,466	884	12,673
Facilities Management	27,300	27,712	(412)	25,900
Covenant Enforcement	49,600	46,412	3,188	48,064
Trash Removal	157,000	154,468	2,532	156,525
Bank Charges	1,300	1,422	(122)	1,225
Miscellaneous	-	8,169	(8,169)	-
Contingency	14,000	-	14,000	-
<b>Total Expenditures</b>	<b>293,450</b>	<b>280,104</b>	<b>13,346</b>	<b>274,314</b>
<b>Net Change in Fund Balance</b>	<b>3,517</b>	<b>16,233</b>	<b>12,716</b>	<b>(8,090)</b>
<b>Fund Balance - Beginning</b>	<b>343,310</b>	<b>344,300</b>	<b>990</b>	<b>352,390</b>
<b>Fund Balance - Ending</b>	<b>\$ 346,827</b>	<b>\$ 360,533</b>	<b>\$ 13,706</b>	<b>\$ 344,300</b>

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

**WHEATLANDS METROPOLITAN DISTRICT**

**SPECIAL REVENUE - PARK AND RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2024**

**(With Comparative Actual Totals for the Year Ended December 31, 2023)**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2023 Actual</b>
<b>Revenues</b>					
Park and Recreation Fees	\$ 707,928	\$ 707,928	\$ 707,928	\$ -	\$ 649,740
Late Charges/Collection Fees	2,500	2,500	16,281	13,781	12,527
Working Capital Fees	6,000	6,000	5,300	(700)	4,900
Clubhouse Rental Fees	26,000	26,000	33,603	7,603	28,356
Legal - Collections	3,900	3,900	8,514	4,614	475
Grant Income	-	-	-	-	2,001
Interest Income	-	-	8,621	8,621	-
YMCA Lease Reimbursement	-	44,682	45,142	460	-
Other	6,000	6,000	5,031	(969)	37,501
<b>Total Revenues</b>	<b>752,328</b>	<b>797,010</b>	<b>830,420</b>	<b>33,410</b>	<b>735,500</b>
<b>Expenditures</b>					
General and Administrative	116,300	116,300	119,906	(3,606)	114,178
Operations and Maintenance	2,049,746	2,049,746	1,558,659	491,087	1,728,932
Capital Outlay	-	-	51,353	(51,353)	295,072
Recreation Center					
Operations and Maintenance	-	714,404	508,325	206,079	-
Debt Service:					
Note A Principal	-	147,857	115,000	32,857	-
Equipment Lease - Principal	-	41,220	41,220	-	-
Equipment Lease - Interest	-	3,462	3,462	-	-
Capital Outlay:					
Capital Outlay - Lease	-	71,138	154,634	(83,496)	-
WPRA 2019A Note Payment	-	1,380,000	1,380,000	-	-
WPRA 2019B Notes Payment	-	675,000	675,000	-	-
<b>Total Expenditures</b>	<b>2,166,046</b>	<b>5,199,127</b>	<b>4,607,559</b>	<b>591,568</b>	<b>2,138,182</b>
<b>Excess Revenues Over (Under)</b>					
<b>Expenditures</b>	<b>(1,413,718)</b>	<b>(4,402,117)</b>	<b>(3,777,139)</b>	<b>624,978</b>	<b>(1,402,682)</b>
<b>Other Financing Sources</b>					
Loan Proceeds	-	1,380,000	1,380,000	-	-
Lease Proceeds	-	71,138	154,634	83,496	-
Transfers In	1,413,718	3,588,718	2,877,506	(711,212)	1,422,682
<b>Total Other Financing Sources</b>	<b>1,413,718</b>	<b>5,039,856</b>	<b>4,412,140</b>	<b>(627,716)</b>	<b>1,422,682</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>637,739</b>	<b>635,001</b>	<b>(2,738)</b>	<b>20,000</b>
<b>Fund Balance - Beginning</b>	<b>100,000</b>	<b>120,000</b>	<b>120,000</b>	<b>-</b>	<b>100,000</b>
<b>Fund Balance - Ending</b>	<b>\$ 100,000</b>	<b>\$ 757,739</b>	<b>\$ 755,001</b>	<b>\$ (2,738)</b>	<b>\$ 120,000</b>

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

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### NOTE 1 –REPORTING ENTITY

Wheatlands Metropolitan District, formerly Wheatlands Metropolitan District No. 2 (“the District”), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by Order and Decree of the District Court in and for Arapahoe County on December 4, 2001 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 2, Colorado Revised Statutes). The District changed its name from Wheatlands Metropolitan District No. 2 to Wheatlands Metropolitan District pursuant to a court order dated September 6, 2012. The District operates under a Service Plan approved by the City of Aurora (“the City”) as amended and restated on August 6, 2004, as further amended by a First Amendment approved by the City on August 24, 2015 (“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, 2024**

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

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

**Government-wide and Fund Financial Statements**

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available 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, 2024

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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 and Recreation 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.

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, 2024

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### **Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds a public hearing 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.

The District has amended its annual budget for the year ended December 31, 2024.

### **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, 2024

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### Operations and Working Capital Fees

The District charges a monthly operating fee of \$22 to all homeowners for architectural review, covenant enforcement and trash service. The District also charges a monthly park and recreation fee of \$48 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 \$21.50 per month for apartments (“Apartment Park and Rec Fee”). The District also entered into an agreement with Avalon Southland Inc. in which the District agreed to assess the Apartment Park and Rec Fee for apartments owned by Avalon Southland Inc. 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 and Recreation 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
Recreation Center	5 – 26 years
Recreation Center Equipment	2 – 10 years
Landscaping Improvements	5 - 25 years

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

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**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**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.

WHEATLANDS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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**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.

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 covenants.

*Restricted for ARI Projects*

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

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

The District has a deficit in unrestricted net position. 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, 2024

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### Fund Balances

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

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

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

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

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

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

The following fund balances are assigned:

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

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

Parks and Recreation – assigned for purposes of the Special Revenue – Park and Recreation Fund.

Recreation Center Capital – assigned for purposes of capital repair and replacement costs at the Recreation Center.

*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, 2024**

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

**Use of Estimates**

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

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Deposits	\$ 320,502	\$ -	\$ 320,502
Investments	2,694,910	200,604	2,895,514
Total	<u>\$ 3,015,412</u>	<u>\$ 200,604</u>	<u>\$ 3,216,016</u>

**Deposits with Financial Institutions**

Custodial credit risk

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

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the District's cash deposits had a bank and carrying balance of \$320,502.

#### **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 Revised 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, 2024**

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted Average under 60 Days	\$ 200,604
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	2,694,910
		<u>\$ 2,895,514</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

A designated custodial bank serves as custodian for COLOTRUST’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the COLOTRUST’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by COLOTRUST. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

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**CSAFE**

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 CSAFE. CSAFE currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under Section 24-75-601, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601, C.R.S, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

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 CASH FUND is rated AAmmf by Fitch Ratings and CSAFE CORE is rated AAaf/S1 by FitchRatings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Restricted Cash and Investments**

At December 31, 2024, cash and investments in the amount of \$200,604 are restricted. This includes cash and investments held by the ARI Fund, if any, 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, 2024**

**NOTE 4 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Construction in Process	\$ 201,307	\$ -	\$ (201,307)	\$ -
Capital Assets Being Depreciated				
Parks and Recreation Facilities	8,448,256	159,207	-	8,607,463
Recreation Center	-	7,272,138	-	7,272,138
Recreation Center Equipment	-	154,634	-	154,634
Landscape Improvements	401,389	178,476	-	579,865
Subtotal	<u>8,849,645</u>	<u>7,764,455</u>	<u>-</u>	<u>16,614,100</u>
Less Accumulated Depreciation for				
Parks and Recreation Facilities	(2,278,820)	(415,378)	-	(2,694,198)
Recreation Center	-	(153,824)	-	(153,824)
Recreation Center Equipment	-	(38,658)	-	(38,658)
Landscape Improvements	(66,397)	(22,735)	-	(89,132)
Subtotal	<u>(2,345,217)</u>	<u>(630,595)</u>	<u>-</u>	<u>(2,975,812)</u>
Total Capital Assets Being Depreciated, Net	<u>6,504,428</u>	<u>7,133,860</u>	<u>-</u>	<u>13,638,288</u>
Total Capital Assets, Net	<u>\$ 6,705,735</u>	<u>\$ 7,133,860</u>	<u>\$ (201,307)</u>	<u>\$ 13,638,288</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, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable					
G.O. Refunding Bonds, Series 2015	\$ 22,210,000	\$ -	\$ 495,000	\$ 21,715,000	\$ 515,000
Original Issue Premium, Series 2015	296,457	-	13,526	282,931	-
Notes/Loans from Direct					
Borrowings and Direct Placements					
G.O. Loan, Series 2024	-	5,593,000	-	5,593,000	111,000
Revenue Note, Series 2024	-	1,380,000	115,000	1,265,000	197,143
Equipment Lease	-	154,634	41,220	113,414	63,818
Total	<u>\$ 22,506,457</u>	<u>\$ 7,127,634</u>	<u>\$ 664,746</u>	<u>\$ 28,969,345</u>	<u>\$ 886,961</u>

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2024**

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

On September 10, 2015, the District issued \$24,635,000 General Obligation Refunding Bonds, Series 2015 (the Bonds). 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. Interest payments are due semi-annually at rates ranging from 4.00% to 5.00%, beginning on December 1, 2015. The Bonds consist of \$3,435,000 of serial bonds due annually in varying amounts from 2017 through 2025 and term bonds due annually in varying amounts from 2026 through 2045 in the amount of \$21,200,000. The Bonds maturing on December 1, 2030, December 1, 2038, and December 1, 2045 (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof, plus accrued interest to the redemption date. 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 and A3 by Moody's.

The Bonds mature as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 515,000	\$ 913,781	\$ 1,428,781
2026	565,000	893,181	1,458,181
2027	595,000	864,931	1,459,931
2028	655,000	835,181	1,490,181
2029	685,000	802,431	1,487,431
2030-2034	4,225,000	3,492,705	7,717,705
2035-2039	5,555,000	2,537,605	8,092,605
2040-2044	7,245,000	1,272,769	8,517,769
2045	1,675,000	69,094	1,744,094
	<u>\$ 21,715,000</u>	<u>\$ 11,681,678</u>	<u>\$ 33,396,678</u>

**\$5,593,000 Limited Tax General Obligation Loan, Series 2024**

On April 15, 2024, the District acquired Lot 1, Block 5, Wheatlands Subdivision Filing No. 6, City of Aurora (the Property) from the Wheatlands Park and Recreation Authority (the WPRA) for \$4,961,030 (the Purchase Price). Included within the acquisition was the recreation center located at 6100 S. Kewaunee Way, Auora, Colorado, 80016 (the Recreation Facility).

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024**

On May 1, 2024, the District issued \$5,593,000 Limited Tax General Obligation Loan, Series 2024 (the 2024 Loan) with BOKF, N.A. dba BOK Financial. The 2024 Loan was issued for the purpose of purchasing the Property and the Recreation Facility and paying costs associated with the transaction. Interest payments are due semi-annually at 5.42%, beginning on December 1, 2024. The principal amount of the 2024 Loan is subject to mandatory sinking fund redemption annually in varying amounts on December 1 from December 1, 2025, through December 1, 2029, with final maturity on December 1, 2030 (Balloon Maturity). On and after December 1, 2025, the 2024 Loan is subject to redemption, at the option of the District, in whole or in part in integral multiples of \$5,000, at a redemption price of par plus accrued interest to the date of redemption.

The 2024 Loan matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 111,000	\$ 303,141	\$ 414,141
2026	135,000	297,124	432,124
2027	140,000	289,807	429,807
2028	155,000	282,219	437,219
2029	165,000	273,818	438,818
2030	4,887,000	264,875	5,151,875
	<u>\$ 5,593,000</u>	<u>\$ 1,710,984</u>	<u>\$ 7,303,984</u>

**\$1,380,000 Project Revenue Note, Series 2024**

In connection with the sale of the Property to the District, WPRABN, LLC, as the beneficiary of a subordinate deed of trust on the Property securing its Wheatlands Recreational Authority 2019 Recreation Revenue Subordinate A Note (the 2019A Note), agreed to release its subordinate deed of trust and exchange the 2019A Note for a non-tax-exempt note in the amount of \$1,380,000. On May 1, 2024, the District issued WPRABN, LLC a new promissory note in the amount of \$1,380,000 through the issuance of a \$1,380,000 Project Revenue Note, Series 2024 (the 2024 Note).

From May 1, 2024, through May 1, 2028, the 2024 Note does not bear interest. From May 2, 2028, through the Maturity Date of May 31, 2031, the 2024 Note bears interest at the rate of 6% per annum. Monthly principal payments amounting to \$16,429 are due beginning on June 1, 2024. Interest on the 2024 Note is payable monthly on the principal balance of the 2024 Note beginning May 2, 2028, commencing on June 1, 2028 through May 2, 2031 (the Termination Date).

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

The 2024 Note is payable solely from the Pledged Revenue consisting of the District's Park and Recreation Fees as imposed pursuant to the Second Amended and Restated Resolution of the District dated November 9, 2023.

The 2024 Note is subject to prepayment at par plus accrued interest at any time.

The 2024 Note matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 197,143	\$ -	\$ 197,143
2026	197,143	-	197,143
2027	197,143	-	197,143
2028	197,143	18,975	216,118
2029	197,143	23,164	220,307
2030-2031	279,285	12,568	291,853
	<u>\$ 1,265,000</u>	<u>\$ 54,707</u>	<u>\$ 1,319,707</u>

**Recreation Equipment Lease Obligation**

On May 5, 2021, the WPRA, as the Obligor, entered into a Government Obligation Contract (the Contract) with KS StateBank (Obligee). The District is a party to the contract as a Co-Obligor. Total funding of \$300,008 was provided for the purchase of fitness equipment to be utilized in the recreation center. On July 26, 2024, the District assumed all obligations of the Obligor and Co-Obligor, under and pursuant to the Contract. At July 26, 2024, the lease balance assumed by the District was \$154,634. The lease bears interest at 3.80% with payments due monthly in the amount of \$5,585 continuing until May 5, 2026.

Minimum lease payments due under the contract are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 63,818	\$ 3,205	\$ 67,023
2026	49,596	613	50,209
	<u>\$ 113,414</u>	<u>\$ 3,818</u>	<u>\$ 117,232</u>

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

**Authorized Debt**

On November 2, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$732,750,000 at an interest rate not to exceed 18% per annum. At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the purposes outlined in the table below. However, since the authorization was approved in November 2004 and is now more than 20 years old, it is considered stale and no longer available subject to section 32-1-1101.5 of the Special District Act:

	Amount Authorized on November 2, 2004	Authorization Used					Authorized but Unissued
		Series 2005 Bonds	Series 2008 Bonds	Series 2013 Note	Series 2024 G.O.Note	Series 2024 Revenue Note	
Streets	\$ 55,000,000	\$ 19,877,670	\$ 6,980,190	\$ -	\$ -	\$ -	\$ 28,142,140
Traffic and safety	55,000,000	-	-	-	-	-	55,000,000
Water	55,000,000	-	2,572,847	-	-	-	52,427,153
Sanitation	55,000,000	-	454,641	-	-	-	54,545,359
Park and recreation	55,000,000	1,772,330	2,237,322	1,150,000	5,593,000	1,380,000	42,867,348
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	2,000,000	-	-	-	-	-	2,000,000
Refundings	110,000,000	-	-	-	-	-	110,000,000
Various agreements	125,750,000	-	-	-	-	-	125,750,000
	<u>\$ 732,750,000</u>	<u>\$ 21,650,000</u>	<u>\$ 12,245,000</u>	<u>\$ 1,150,000</u>	<u>\$ 5,593,000</u>	<u>\$ 1,380,000</u>	<u>\$ 690,732,000</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, 2024**

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**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.

On June 5, 2017, the District executed the Second Amendment to the Aurora IGA which clarified some terms in the Aurora IGA related to the ownership and maintenance of certain Public Improvements.

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 1.000 mill levy may be adjusted if there are changes in the method of calculating assessed valuation for changes occurring after January 1, 2004, 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. 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 are imposed, the ARI mill levy is the average of the debt service mill levy for the previous 10 years.

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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#### **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 \$68,508 to the Authority during the year ended December 31, 2024.

## WHEATLANDS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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On December 19, 2024, South Aurora Regional Improvement Authority ARI Master Plan No. 3 (ARI Master Plan No. 3) was adopted, which amends and supplements ARI Master Plan No. 2. ARI Master Plan No. 3 has no effect on the pledge of revenues related to South Aurora Regional Improvement Authority Special Revenue Bonds, series 2018 (the Outstanding Bonds). SARIA intends to issue up to \$50,000,000 of revenue bonds or other obligations (the 2025 Bonds) for the purpose of funding regional improvements and refunding the Outstanding Bonds. Upon the refunding of the Outstanding Bonds and the issuance of the 2025 Bonds the Districts will only be required to remit the ARI Mill Levy through 2038 (up to and including their 2037 mill levies for collection in 2038). After 2038 the District will have no obligations under the Establishment Agreement, ARI Master Plan No. 1, or ARI Master Plan No. 3.

#### **Wheatlands Park and Recreation Authority**

On January 19, 2017, the District entered into the Wheatlands Park and Recreation Authority Establishing Agreement with Blackstone Metropolitan District (formerly 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 (“WPRA IGA”) to memorialize among other things, the membership fee and future expenses for property maintenance and snow removal.

As mentioned above in Note 5, the District purchased the Property and the Recreation Facility from the WPRA.

In connection with the sale of the Property to the District, the District entered into a Tender and Mutual Release Agreement dated July 11, 2024 with lenders of Taxable Recreational Revenue Subordinate B-1 Note numbered B-1-1, dated September 18, 2019, in the aggregate principal amount of \$834,000 and 2019 Recreational Revenue Subordinate B-2 Note numbered B-2-2, dated September 18, 2019, in the aggregate principal amount of \$166,000 that provided financing for the Property in the form of Subordinate 2019B Notes. In exchange for the Tender payment of \$675,000 by the District, which was paid on July 12, 2024, the Lenders agreed to tender and deliver the 2019B Notes and waived all rights to receive any additional amounts under the 2019B Notes from the WPRA or the District and further acknowledge that upon receipt of the Tender Payment, all amounts remaining outstanding under the Notes due from the Authority or the District are released, cancelled and fully discharged.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

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**Young Men’s Christian Association of Metropolitan Denver d/b/a/ YMCA of Metropolitan Denver**

On May 1, 2024, the District entered into a Facility Operations and Management Agreement (Management Agreement) with the Young Men’s Christian Association of Metropolitan Denver d/b/a/ YMCA of Metropolitan Denver (YMCA). Pursuant to the Management Agreement, the YMCA will manage and operate the Recreation Facility and be responsible for all programs and services offered at the Recreation Facility. The YMCA will receive all Facility Revenue and is responsible for paying all Facility Expenses, as defined in the Management agreement.

The District further agrees to pay the YMCA monthly beginning May 2024 a District Rate for each completed single-family residence (currently 1053 residential units) located in the District’s boundaries. The District Rate, initially \$47 per month, may be increased as needed at a percentage rate of increase no greater than the rate increase applicable to the general membership rate made available to the public for use of the Facility. On September 10, 2024, the District and YMCA entered into a First Amendment to the Management Agreement, whereby the District Rate was reduced to \$45 per month less the monthly amount paid on the Equipment Lease Obligation described in Note 5.

All District residents are entitled to a Y-Premium Household Membership to the recreation center at no cost to the residents.

Additionally, the District is to restrict \$250,000 of District funds on hand to provide a source of funding to pay for Capital Repair and Replacement Costs. The District has assigned \$450,000 of the Park and Recreation Fund balance for this purpose.

The Management Agreement terminates on April 30, 2031 but shall automatically renew for an additional five (5) year term unless one party to the agreement provides written notice to the other party.

**NOTE 7 – INTERFUND TRANSFERS**

During the year ended December 31, 2024, the District transferred \$2,877,506 from the General Fund to the Special Revenue Park and Recreation Fund to provide funds related to the design and planning of Wheatlands Park, improvements to the clubhouse, improvements to the pool, and general landscaping improvements.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

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**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, 2024. 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 shortfalls or salary or benefit increases.

On November 6, 2001, the voters approved the District to increase taxes \$600,000 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.

**WHEATLANDS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2024**

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

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

**SUPPLEMENTARY INFORMATION**

**WHEATLANDS METROPOLITAN DISTRICT**

**DEBT SERVICE FUND**

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

**For the Year Ended December 31, 2024**

**(With Comparative Actual Totals for the Year Ended December 31, 2023)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2023 Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 1,151,441	\$ 1,146,653	\$ (4,788)	\$ 1,275,535
Specific Ownership Taxes	46,058	69,056	22,998	84,995
Interest Income	11,000	46,406	35,406	37,941
<b>Total Revenues</b>	<b>1,208,499</b>	<b>1,262,115</b>	<b>53,616</b>	<b>1,398,471</b>
<b>Expenditures</b>				
Debt Service				
Principal - Series 2015	495,000	495,000	-	450,000
Interest - Series 2015	933,581	933,581	-	951,581
Loan principal - Series 2024	195,000	-	195,000	-
Loan interest - Series 2024	325,800	176,832	148,968	-
County Treasurer's Fees	17,272	17,210	62	19,141
Paying Agent / Trustee Fees	4,000	2,799	1,201	1,000
Contingency	5,000	-	5,000	-
Loan Issuance Costs	444,800	435,066	9,734	-
Capital Outlay				
Purchase of WPRA Facility	6,686,600	4,961,030	1,725,570	-
<b>Total Expenditures</b>	<b>9,107,053</b>	<b>7,021,518</b>	<b>2,085,535</b>	<b>1,421,722</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(7,898,554)</b>	<b>(5,759,403)</b>	<b>2,139,151</b>	<b>(23,251)</b>
<b>Other Financing Sources (Uses)</b>				
Note Proceeds	7,240,000	5,593,000	(1,647,000)	-
Transfers In	402,000	-	(402,000)	-
<b>Total Other Financing Sources</b>	<b>7,642,000</b>	<b>5,593,000</b>	<b>(2,049,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(256,554)</b>	<b>(166,403)</b>	<b>90,151</b>	<b>(23,251)</b>
<b>Fund Balance - Beginning</b>	<b>357,455</b>	<b>373,851</b>	<b>16,396</b>	<b>397,102</b>
<b>Fund Balance - Ending</b>	<b>\$ 100,901</b>	<b>\$ 207,448</b>	<b>\$ 106,547</b>	<b>\$ 373,851</b>

See the Independent Auditor's Report

**WHEATLANDS METROPOLITAN DISTRICT**

**SPECIAL REVENUE - PARK AND RECREATION FUND  
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
For the Year Ended December 31, 2024**

**(With Comparative Actual Totals for the Year Ended December 31, 2023)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2023 Actual</u>
<b>EXPENDITURES</b>					
<b>General and Administrative</b>					
Accounting	17,900	17,900	17,654	246	17,501
Legal	44,100	44,100	48,198	(4,098)	45,545
Insurance and Bonds	51,700	51,700	52,379	(679)	49,656
Bank Charges	2,600	2,600	1,675	925	1,476
<b>Subtotal</b>	<u>116,300</u>	<u>116,300</u>	<u>119,906</u>	<u>(3,606)</u>	<u>114,178</u>
<b>Operations and Maintenance</b>					
Operations and Maintenance	128,900	128,900	115,481	13,419	111,770
Landscape Maintenance	492,000	492,000	644,113	(152,113)	474,125
Clubhouse Maintenance	82,200	82,200	70,863	11,337	102,710
Pool Maintenance	342,800	342,800	308,842	33,958	351,692
Park Maintenance	9,400	9,400	37,807	(28,407)	34,182
Utilities	279,200	279,200	211,915	67,285	168,030
WPRA Fees	518,246	518,246	169,638	348,608	486,423
Contingency	197,000	197,000	-	197,000	-
<b>Subtotal</b>	<u>2,049,746</u>	<u>2,049,746</u>	<u>1,558,659</u>	<u>491,087</u>	<u>1,728,932</u>
<b>Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>51,353</u>	<u>(51,353)</u>	<u>295,072</u>
<b>Recreation Center</b>					
<b>Operations</b>					
Accounting	-	3,600	3,133	467	-
Accounting - Special Projects	-	1,000	767	233	-
Legal	-	-	255	(255)	-
Insurance	-	30,000	30,157	(157)	-
Utilities - Water	-	-	11,296	(11,296)	-
Trash Removal	-	-	70	(70)	-
Landscape Maintenance	-	69,800	63,099	6,701	-
Snow Removal	-	18,000	7,832	10,168	-
Custodial and Lender Fee	-	4,500	-	4,500	-
WPRA Fees	-	387,504	391,716	(4,212)	-
Contingency	-	200,000	-	200,000	-
<b>Subtotal</b>	<u>-</u>	<u>714,404</u>	<u>508,325</u>	<u>206,079</u>	<u>-</u>
<b>Debt Service</b>					
Note A Principal	-	147,857	115,000	32,857	-
Equipment Lease - Principal	-	41,220	41,220	-	-
Equipment Lease - Interest	-	3,462	3,462	-	-
<b>Capital Outlay</b>					
Capital Outlay - Lease	-	71,138	154,634	(83,496)	-
WPRA 2019A Note Payment	-	1,380,000	1,380,000	-	-
WPRA 2019B Notes Payment	-	675,000	675,000	-	-
<b>Total Expenditures</b>	<u><u>2,166,046</u></u>	<u><u>5,199,127</u></u>	<u><u>4,607,559</u></u>	<u><u>591,568</u></u>	<u><u>2,138,182</u></u>

See the Independent Auditor's Report

## **OTHER INFORMATION**

**WHEATLANDS METROPOLITAN DISTRICT**

**Schedule of Debt Service Requirements to Maturity  
December 31, 2024**

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

Year	Rate	Principal	Interest	Total
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>\$ 21,715,000</u>	<u>\$ 11,681,678</u>	<u>\$ 33,396,678</u>

**\$5,593,000 General Obligation Note  
Series 2024**

	Rate	Principal	Interest	Total
2025	5.420	\$ 111,000	\$ 303,141	\$ 414,141
2026	5.420	135,000	297,124	432,124
2027	5.420	140,000	289,807	429,807
2028	5.420	155,000	282,219	437,219
2029	5.420	165,000	273,818	438,818
2030	5.420	4,887,000	264,875	5,151,875
		<u>\$ 5,593,000</u>	<u>\$ 1,710,984</u>	<u>\$ 7,303,984</u>

**WHEATLANDS METROPOLITAN DISTRICT**

**Schedule of Debt Service Requirements to Maturity  
December 31, 2024  
(Continued)**

**\$1,380,000 Project Revenue Note  
Series 2024**

	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	0.000	\$ 197,143	\$ -	\$ 197,143
2026	0.000	197,143	-	197,143
2027	0.000	197,143	-	197,143
2028	6.000	197,143	18,975	216,118
2029	6.000	197,143	23,164	220,307
2030	6.000	197,143	11,336	208,479
2031	6.000	82,142	1,232	83,374
		<u>\$ 1,265,000</u>	<u>\$ 54,707</u>	<u>\$ 1,319,707</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 (2)	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	\$ 33,018,481	10.5%	38.587	38.587	1.102	78.276	\$ 2,584,555	\$ 2,583,549	99.96%
2018	2019	\$ 36,669,112	11.1%	38.595	38.595	1.103	78.293	\$ 2,870,935	\$ 2,870,159	99.97%
2019	2020	\$ 44,114,908	20.3%	42.176	27.748	1.110	71.034	\$ 3,133,658	\$ 3,132,515	99.96%
2020	2021	\$ 44,752,801	1.4%	36.617	27.740	1.110	65.467	\$ 2,929,832	\$ 2,929,832	100.00%
2021	2022	\$ 47,276,236	5.6%	36.602	27.755	1.110	65.467	\$ 3,095,034	\$ 3,095,034	100.00%
2022	2023	\$ 45,956,955	-2.8%	39.820	27.755	1.145	68.720	\$ 3,158,162	\$ 3,158,162	100.00%
2023	2024	\$ 55,606,349	21.0%	46.757	20.707	1.256	68.720	\$ 3,821,268	\$ 3,805,380	99.58%

Estimated for  
Year Ending  
December 31,  
2025

\$ 55,478,521	-0.2%	39.244	31.500	1.256	72.000	\$ 3,994,453
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**Notes:**

- (1) Represents a contractual obligation for Aurora Regional Improvements.
- (2) 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.**