



GVR METROPOLITAN DISTRICT
Denver County, Colorado

FINANCIAL STATEMENTS
December 31, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the GVR Metropolitan District offers 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, 2025.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$21,914,586.
- There was an increase in the government's total net position of \$1,233,941. This is in line with the previous year.
- As of the close of the current fiscal year, the District's General Fund reported an ending fund balance of \$12,411,288, an increase of \$1,117,244. Of this total amount, \$11,941,626 is available for spending at the government's discretion.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements.

Financial Statements

The 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.

The District's Auditors' Opinion can be found on page 1 of this report. The District's financial statements can be found on pages 4 through 10 of this report.

The Balance Sheet/Statement of Net Position presents information on all the District's assets and liabilities (both short-term and long-term), with the difference between the two reported as fund balance or net position. The Balance Sheet column presents the financial position focusing on short-term available resources and is reported on a modified accrual basis of accounting. The Statement of Net Position column presents the financial position focusing on long-term economic resources and is reported on a full accrual basis. 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 Revenues, Expenditures and Changes in Fund Balance/Statement of Activities shows how the government's fund balance and net position changed during the most recent fiscal year. Again, the Statement of Revenues, Expenditures and Changes in Fund Balance focuses on short-term available resources and is reported on a modified accrual basis. The Statement of Activities focuses on long-term economic resources and is reported on a full accrual basis.

**Condensed Statement of Net Position
For the Year Ending December 31, 2025**

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 16,307,901	\$ 14,841,180
Long term assets	8,831,995	8,824,061
Deferred outflows of resources	<u>224,242</u>	<u>343,695</u>
Total assets and deferred outflows of resources	25,364,138	24,008,936
Current liabilities	74,985	72,289
Long term liabilities	594,833	745,357
Deferred inflows of resources	<u>2,779,734</u>	<u>2,510,645</u>
Total liabilities and deferred inflows of resources	3,449,552	3,328,291
Net Position:		
Net Investment in Capital Assets	8,831,995	8,824,061
Restricted	1,115,861	1,034,247
Unrestricted	11,577,888	10,375,520
Unrestricted-Designated	<u>388,842</u>	<u>446,817</u>
Total Net Position	<u>\$ 21,914,586</u>	<u>\$ 20,680,645</u>

The restricted portion of the net position represents cash and cash equivalents reserved for emergencies in the General Fund and for expenses in the Conservation Trust Fund. Notes to the financial statements provide additional information on the transfer of capital assets and long-term debt.

**Condensed Statements of Activities
And Changes in Net Position
For the Year Ended December 31, 2025**

	<u>2025</u>	<u>2024</u>
Revenues:		
General Revenues		
Taxes	\$ 2,592,753	\$ 2,183,337
Interest Earnings & Other Income	514,835	561,083
Grants & Contributions	181,800	121,800
Program Revenues	113,941	109,571
Nonoperating Revenues	<u>52,913</u>	<u>124,434</u>
Total Revenues	<u>3,456,242</u>	<u>3,100,225</u>
Expenses:		
General Government & Programs	<u>2,222,301</u>	<u>1,798,721</u>
Total Expenses	<u>2,222,301</u>	<u>1,798,721</u>
Change in Net Position	1,233,941	1,301,504
Net Position – Beginning	<u>20,680,645</u>	<u>19,379,141</u>
Net Position – Ending	<u>\$ 21,914,586</u>	<u>\$ 20,680,645</u>

While the Statement of Net Position shows the change in financial position, the Statement of Activities and Changes in Net Position provides answers concerning the nature and source of these changes. It is shown in the table above that the net position increased by \$1,233,941 to \$21,914,586 in 2025.

Notes to the Financial Statements: Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 11 through 35 of this report.

General Fund Budgetary Highlights

Revenues were received as budgeted during 2025 with the addition of \$33,290 more in investment income than anticipated. Expenditures were spent \$336,530 less in contract services as well as \$250,542 less in capital expenditures. The budgeted emergency and contingency funds were not required to be used. These changes resulted in a variance of revenues over expenditures in the General Fund of \$1,057,595.

Capital Assets and Debt Administration

Capital assets: The District's investment in capital assets as of December 31, 2025 amounts to \$8,831,995 (net of accumulated depreciation). The major assets owned by the District are common areas. The District owns two buildings, the Administration/Community Center Building, which is located within the District and a facility building for maintenance staff and equipment at the community garden also within the District. The District also owns several vehicles and pieces of equipment for landscape maintenance use. All other capital assets were transferred to another local government after completion. Additional information on the District's capital assets can be found in Note 4.

Long-term debt: At the end of the current fiscal year, the District had no outstanding bond debt. As of December 31, 2025, the District's portion of the net pension liability for PERA's Local Government Division Trust Fund is \$502,479 and the liability for post-employment benefits is \$31,133. Additional information on the District's long-term debt can be found in Note 5. Additional information on the District's pension liability can be found in notes 8 through 9. Additional information on the District's post-employment benefits liability can be found in note 10.

Economic Factors and Next Year's Budgets and Rates

While housing foreclosures for Colorado have slowed, other economic trends in the region are comparable to national indices (Colorado unemployment rate was 4.0% while the national rate was 4.3%, etc.). The assessed valuation of the District increased by 0.45%. Property tax remains the primary source of revenue for the District. The 2026 Budget was approved November 19, 2025. There was no change in the level of services provided in the GVR Metropolitan District's 2026 Budget as adopted.

Requests 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 District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, GVR Metropolitan District, 18650 East 45th Avenue, Denver, Colorado 80249.



Independent Auditors' Report

Members of the Board of Directors
GVR Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of GVR Metropolitan District as of and for the year ended December 31, 2025 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, the major funds, and the aggregate remaining fund information of GVR Metropolitan District, as of December 31, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GVR Metropolitan 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 these 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 GVR Metropolitan 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.

Auditors' 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 GVR Metropolitan 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 GVR Metropolitan 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, general and special revenue funds budget and actual statements, and pension schedules, as listed in the table of contents, 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise GVR Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the 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 or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The continuing disclosure annual financial information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Haynie". The signature is fluid and cursive, with a large initial "H" and a stylized "y".

Littleton, Colorado
July 21, 2026

GENERAL PURPOSE FINANCIAL STATEMENTS

GVR METROPOLITAN DISTRICT

Statement of Net Position

December 31, 2025

Assets	Governmental Activities
Current Assets:	
Cash Deposits and Investments	\$ 13,481,258
Receivable From County Treasurer	2,749,046
Accounts Receivable	24,416
Prepaid Expenses	37,541
Undeposited Funds	15,640
Total Current Assets	<u>16,307,901</u>
Long-Term Assets:	
Capital Assets, Net	<u>8,831,995</u>
Total Long-Term Assets	<u>8,831,995</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pension	214,328
Deferred Outflows Related to OPEB	9,914
Total Deferred Outflows of Resources	<u>224,242</u>
Total Assets and Deferred Outflows of Resources	<u>25,364,138</u>
Liabilities	
Current Liabilities:	
Accounts payable	11,673
Credit Cards	2,092
Payroll Liabilities	61,220
Total Current Liabilities	<u>74,985</u>
Long-Term Liabilities:	
Net Pension Liability	502,479
Net OPEB Liability	31,133
Compensated Absences	61,221
Total Long-Term Liabilities	<u>594,833</u>
Total Liabilities	<u>669,818</u>
Deferred Inflows of Resources	
Property tax revenue	2,749,046
Deferred Amounts Related to Pension	13,869
Deferred Amounts Related to OPEB	16,819
Total deferred inflows of resources	<u>\$ 2,779,734</u>

The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT

Statement of Net Position (continued)

December 31, 2025

Net Position

Net investment in capital assets	\$ 8,831,995
Restricted for:	
Conservation Trust Fund	1,053,740
Emergency Reserve	62,121
Unrestricted	11,577,888
Unrestricted - Designated	<u>388,842</u>
Total Net Position	<u>21,914,586</u>
Total Liabilities, Net Position and Deferred Inflows of Resources	<u><u>\$ 25,364,138</u></u>

The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Primary government:					
Governmental activities:					
General Government	\$ 2,021,897	\$ 10,217	\$ -	\$ -	\$ (2,011,680)
Community Programs	<u>200,404</u>	<u>651</u>	<u>103,073</u>	<u>181,800</u>	<u>85,120</u>
	<u>2,222,301</u>	<u>10,868</u>	<u>103,073</u>	<u>181,800</u>	<u>(1,926,560)</u>
General revenues:					
Property taxes					2,474,060
Specific ownership taxes					118,693
Net investment income					514,835
Insurance Proceeds					<u>52,913</u>
Total general revenues					<u>3,160,501</u>
Change in net position					1,233,941
Net position - beginning of year					<u>20,680,645</u>
Net position - end of year					<u>\$ 21,914,586</u>

The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Position
December 31, 2025

	Governmental Fund Types			2025
	General Fund	HOA Fund	Non Major Governmental Funds	
Assets				
Cash and Investments	\$ 12,415,363	\$ 12,155	\$ 1,053,740	\$ 13,481,258
Receivable from County Treasurer	2,749,046	-	-	2,749,046
Accounts Receivable, net	17,762	-	6,654	24,416
Prepaid Expenses	37,541	-	-	37,541
Undeposited Funds	-	15,640	-	15,640
Total Assets	<u>\$ 15,219,712</u>	<u>\$ 27,795</u>	<u>\$ 1,060,394</u>	<u>\$ 16,307,901</u>
Liabilities				
Accounts Payable	4,903	175	6,595	11,673
Credit Cards Payable	1,128	905	59	2,092
Payroll Liabilities	53,347	7,873	-	61,220
Total Liabilities	<u>59,378</u>	<u>8,953</u>	<u>6,654</u>	<u>74,985</u>
Deferred Inflows of Resources				
Deferred Property Tax Revenue	<u>2,749,046</u>	<u>-</u>	<u>-</u>	<u>2,749,046</u>
Total Deferred Inflows of Resources	<u>2,749,046</u>	<u>-</u>	<u>-</u>	<u>2,749,046</u>
Fund Balances				
Nonspendable	37,541	-	-	37,541
Restricted:				
Conservation Trust Fund	-	-	1,053,740	1,053,740
Emergency Reserves	62,121	-	-	62,121
Assigned:				
HOA Services	-	18,842	-	18,842
Capital Outlay	370,000	-	-	370,000
Unassigned	<u>11,941,626</u>	<u>-</u>	<u>-</u>	<u>11,941,626</u>
Total Fund Balances	<u>12,411,288</u>	<u>18,842</u>	<u>1,053,740</u>	<u>13,483,870</u>
Total Liabilities, Fund Balance and Deferred Inflows of Resources	<u>\$ 15,219,712</u>	<u>\$ 27,795</u>	<u>\$ 1,060,394</u>	<u>\$ 16,307,901</u>

The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended December 31, 2025

Total Governmental Fund Balances		\$ 13,483,870
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Amounts reported for governmental activities in the statement of net position are different because:

Deferred Outflows Related to Pension	214,328	
Deferred Inflows Related to Pension	(13,869)	
Deferred Outflows Related to OPEB	9,914	
Deferred Inflows Related to OPEB	<u>(16,819)</u>	
		193,554

Some liabilities, including net pension liability and compensated absences, are not due and payable in the current period and therefore are not reported in the fund balance sheet:

Net Pension Liability	(502,479)	
Net OPEB Liability	(31,133)	
Accrued compensated absences	<u>(61,221)</u>	
		(594,833)

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense:

Cost of Capital Assets	10,157,692	
Less Accumulated Depreciation	<u>(1,325,697)</u>	
		<u>8,831,995</u>

Net Position		\$ <u>21,914,586</u>
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The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT
Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2025

	Governmental Fund Types			2025
	General	HOA	Non Major Governmental Funds	
Revenues				
Property taxes	\$ 2,474,060	\$ -	\$ -	\$ 2,474,060
Specific Ownership Taxes	118,693	-	-	118,693
Contracts & Grants	-	181,800	-	181,800
Conservation Trust Funds	-	-	103,073	103,073
Recreation Programs	-	-	651	651
Rental Activities	4,140	-	-	4,140
Net Investment Income	514,280	-	555	514,835
Other Income	6,077	-	-	6,077
Total Revenues	<u>3,117,250</u>	<u>181,800</u>	<u>104,279</u>	<u>3,403,329</u>
Expenditures				
Current				
Personnel Services	\$ 899,199	\$ 138,466	\$ -	\$ 1,037,665
Contract Services	431,399	1,275	-	432,674
District Operations	26,139	-	-	26,139
Administrative Operations	159,235	30,034	345	189,614
Common Area Operations	354,339	-	30,028	384,367
Program Operations	-	-	256	256
Capital Outlay	189,458	-	-	189,458
Total Expenditures	<u>2,059,769</u>	<u>169,775</u>	<u>30,629</u>	<u>2,260,173</u>
Excess of Revenues Over (Under) Expenditures	1,057,481	12,025	73,650	1,143,156
Other Financing Sources (Uses)				
Gain on Sale of Assets	6,800	-	-	6,800
Insurance Proceeds	52,913	-	-	52,913
Transfers In (Out)	50	-	(50)	-
Total Other Financing Sources (Uses)	59,763	-	(50)	59,713
Net Change in Fund Balances	1,117,244	12,025	73,600	1,202,869
Fund Balances:				
Beginning of the Year	<u>11,294,044</u>	<u>6,817</u>	<u>980,140</u>	<u>12,281,001</u>
End of the Year	<u>\$ 12,411,288</u>	<u>18,842</u>	<u>\$ 1,053,740</u>	<u>\$ 13,483,870</u>

The accompanying notes are an integral part of these financial statements.

GVR 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, 2025

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

Net change in fund balance—total governmental funds	\$ 1,202,869
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Governmental funds report capital outlays as expenditures and capital assets conveyed are not reported.

However, in the statement of activities, the cost of capital outlays is capitalized and conveyed capital assets are recorded as revenues. The assets are depreciated over their useful lives. This is the difference between depreciation expense and capital outlay in the current period:

Capital Outlay	189,458	
Loss on disposal of assets	(65,814)	
Depreciation Expense - General Fund	<u>(115,709)</u>	
		7,935

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:

Pension Income	17,011	
OPEB Income	13,703	
Change in compensated absences	<u>(7,577)</u>	
		<u>23,137</u>

Change in net position of governmental activities	\$ <u>1,233,941</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in the northeastern portion of the City and County of Denver, Colorado (Denver). The District was established to provide financing for construction of streets, water, sanitation, traffic and safety control and parks and recreational improvements. Upon completion of construction, the projects are conveyed to Denver or the Denver Water Department. The District maintains landscape improvements consisting primarily of common areas (open public spaces comprised of both natural vegetation and landscaped areas). The District owns a community/administration building, a maintenance/garden facility and operates Youth, Teen, and Active Adult Community Programs, and a community garden. The District also manages HOA Services through a contract.

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 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, including the City and County of Denver.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The District's financial statements consist of government-wide statements, including a statement of net position and a statement of activities.

The government-wide financial statements report information for the District as a whole. Individual funds are not displayed at this financial reporting level.

The statement of net position presents the financial position of the governmental activities of the District.

The statement of activities presents a comparison between direct expenses and/or each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. The determining factor for identifying the related revenue for *charges for services* is which function *generates* the revenue, and for *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements are designed to present financial information of the District at a more detailed level. Fund Financial Statements are provided for the District's governmental funds.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District has only governmental fund types.

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. Fund types and account groups used by the District are described below.

Governmental Fund Types

Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets and liabilities as fund balance. The following are the District's major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to Account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District has three Special Revenue funds – Community Program Fund, Conservation Trust Fund and HOA Contract Fund.

Account Groups

General Capital Assets Account Group – This group of accounts is established to account for recorded capital assets of the District.

General Long-Term Obligation Account Group – This group of accounts is established to account for all long-term obligations of the District.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Property

Property is stated at cost except for those assets contributed which are stated at estimated fair value at the date of contribution or at the developer's cost. Depreciation is computed using the straight-line method over the useful life of the asset. Interest incurred during construction is not capitalized on capital assets.

Historically the District did not record infrastructure (i.e. roads, bridges, medians, etc.). Effective January 1, 2004, the District restated the beginning fixed asset depreciation balances and has continued to record additions to infrastructure at cost and depreciate the asset over its estimated useful life. The District's capitalization threshold is \$5,000 and a useful life of more than five years. The exact useful lives are as follows:

<u>Asset Type</u>	<u>Useful Life</u>
Medians and Ponds	Indefinite
Land	Indefinite
Equipment	5 to 7 years
Vehicles	7 years
Buildings	40 years

Interfund Activity

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activity's column of the statement of net position.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources (uses) in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers were made to finance capital expenditures. Transfers between funds reported in the governmental activity's column are eliminated.

Budgets

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

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the District for budget or financial reporting purposes.

Pooled Cash

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 bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Net investment income is allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Property Taxes

Property taxes are levied by the District 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 taxpayers' 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, are levied in December for the next calendar year's operations, and recorded as taxes receivable and deferred inflows of resources. The projected property tax revenue is recorded as revenue in the year they are available or collected.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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: non-spendable, 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:

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

The reserve for Conservation Trust Fund represents unspent proceeds from the State lottery restricted for recreation capital and maintenance purposes.

Emergency Reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. The General Fund has reserved \$62,121 from fund balance in compliance with this requirement.

The Designated net position represents unrestricted funds which have been designated by the Board of Directors. This balance totals \$388,842 as of December 31, 2025. Of this amount, \$370,000 has been designated for General Fund capital outlays in 2026, as approved in the 2026 budget. The remaining \$18,842 represents 2025 net income from the HOA fund and is designated for future HOA use.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 – CASH AND INVESTMENTS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels 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 the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and report of the uninsured deposits and assets maintained in the collateral pools.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of December 31, 2025, the District's bank balance was not exposed to custodial credit risk. Deposits that are exposed to custodial credit risk are collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2025, the District's cash deposits had a bank balance and a carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured Deposits	<u>\$ 1,463,261</u>	<u>\$ 1,469,781</u>

At December 31, 2025, the District also had a petty cash account with a balance of \$529.

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 those noted with an asterisk (*) below, 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 risk for investments that are in the possession of another party.

Colorado Revised Statutes limit investment maturities to five years or less (depending on the type of investment) unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), 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 the Trust. The District invested in COLOTRUST PLUS+ (PLUS), one of the three portfolios offered by COLOTRUST.

PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption period. Allowable investments in the PLUS+ portfolio include U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for 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. PLUS+ is rated AAA by S&P Global Ratings.

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted priced in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy.

These investments are measured at amortized cost or in certain circumstances the value is estimated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at year end for which the investment evaluations were determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of PLUS+ to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

As of December 31, 2025, the District had \$12,010,948 invested in COLOTRUST PLUS+.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in property and equipment for the year ended December 31, 2025 follows:

By Classification	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Non-Depreciable				
Land	\$ 530,344	\$ -	\$ -	\$ 530,344
Landscaping	5,718,956	-	-	5,718,956
Total Non-Depreciable	6,249,300	-	-	6,249,300
Depreciable				
Community Center	1,365,337	189,458	(72,589)	1,482,206
Equipment	346,678	-	-	346,678
Vehicles	320,053	-	(31,559)	288,494
Land Improvements	1,791,014	-	-	1,791,014
Total Depreciable	3,823,082	189,458	(104,148)	3,908,392
Less Accumulated Depreciation				
General Fund	(1,248,321)	(115,709)	38,333	(1,325,697)
Net Depreciable	2,574,761	73,749	(65,815)	2,582,695
Capital Assets, Net	\$ 8,824,061	73,749	(65,815)	\$ 8,831,995

Common areas include real property, including all associated features located on such property, within GVR Metropolitan District for which the district provides ongoing care, improvement and maintenance.

All other improvements constructed by the District or for benefit of the District have been conveyed to Denver or to Homeowner Sub-Associations.

All of the depreciation expense of \$115,709 was charged to General Government functions. The District had no assets held for sale as of December 31, 2025.

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**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in general long-term obligations for the year ended December 31, 2025:

	Balance December 31, 2024	Net Change	Balance December 2025	Amount Due in One Year
Net Pension Liability (Asset)	\$ 642,080	\$ (139,601)	\$ 502,479	\$ -
Net OPEB Liability	49,633	(18,500)	31,133	-
Compensated Absences	<u>53,644</u>	<u>7,577</u>	<u>61,221</u>	<u>3,061</u>
	\$ 745,357	\$ (150,524)	\$ 594,833	\$ 3,061

As of December 31, 2025, the District's debt authorization has expired and the District has no issued indebtedness.

NOTE 6 – 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 acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2025. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official's liability, boiler and machinery and workers compensation coverage to its members.

The District pays annual premiums to the Pool for liability, property and public official's 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.

The District continues to carry commercial insurance coverage for other risks of loss including workers compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 7 – 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 for benefit increases.

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.

On November 13, 2007, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The GVR Metropolitan District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67 and is administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information on the Pension Plan

Plan Description. Eligible employees of the District are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability.

The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of December 31, 2025: Eligible employees of the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates are summarized in the table below:

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employee contribution (all employees other than Safety Officers)	9.00%	9.00%

*Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees other than Safety Officers are summarized in the table below:

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	13.76%	13.79%

*Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$114,297 and \$108,130 for the years ended December 31, 2025 and 2024.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Actuarial Valuation Date. The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The Districts proportion of the net pension liability was based on the Districts contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

Net Pension Liability. At December 31, 2025 the District reported a liability of \$502,479 for its proportionate share of the net pension liability.

At December 31, 2024, the District's proportion was 0.08189 percent, which was a decrease of 0.005581 percent from its proportion measured as of December 31, 2023.

Plan fiduciary net position (FNP) as a percentage of the total pension liability is 90.45%.

For the year ended December 31, 2025, the District recognized pension expense of \$97,286. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$37,916	-
Changes of assumptions or other inputs	14,830	-
Net difference between projected and actual earnings on pension plan investments	47,285	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	13,869
Contributions subsequent to the measurement date	114,297	-
Total	\$214,328	\$13,869

\$114,297 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net position liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2026	\$ 78,896
2027	118,898
2028	(80,036)
2029	(31,686)
Total	\$ 86,162

Remainder of page intentionally left blank.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The TPL in the December 31, 2023, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% – 11.30%
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	1.00%
PERA Benefit Structure hired after 12/31/06	Financed by the Annual Increase Reserve

The mortality tables are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and the 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2024, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund were \$0.486 million.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$ 1,099,825	\$ 502,479	\$ 640

Pension Plan Fiduciary Net Position. Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9 – DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), and Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 9 – DEFINED CONTRIBUTION PENSION PLANS (CONTINUED)

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the District has agreed to match employee contributions at 50 percent up to 5 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2025, program members contributed \$35,805 to the plan and the District recognized pension expense of \$18,148 for the Voluntary Investment Program.

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74 and is administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)

Enrollment in PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Division are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the employer is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$8,454 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Actuarial Valuation Date. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The Districts proportion of the net OPEB liability was based on the Districts contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

**NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Net OPEB Liability. At December 31, 2025 the District reported a liability of \$31,133 for its proportionate share of the net OPEB liability.

At December 31, 2024, the District's proportion was 0.006511 percent, which was a decrease of 0.00044 percent from its proportion measured as of December 31, 2023.

Plan fiduciary net position (FNP) as a percentage of the total OPEB liability is 38.57%.

For the year ended December 31, 2025, the District recognized OPEB benefit of \$5,248. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$-	\$6,867
Changes of assumptions or other inputs	357	9,952
Net difference between projected and actual earnings on OPEB plan investments	106	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	997	-
Contributions subsequent to the measurement date	8,454	-
Total	\$9,914	\$16,819

\$8,454 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized in as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2026	\$ (3,916)
2027	(1,778)
2028	(2,639)
2029	(3,139)
2030	(2,642)
Thereafter	(1,246)
Total	\$ (15,359)

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

**NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Actuarial assumptions. The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.0% in 2024 gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.5% in 2024, gradually increasing to 4.50% in 2035

Each year the per capita health care costs are developed by plan option; based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

**NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

The 2024 Medicare Part A premium is \$505 per month.

All costs are subject to the health care cost trend rates, discussed as follows.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

**NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2024	16.00%	3.50%
2025	6.75%	3.75%
2026	6.50%	3.75%
2027	6.25%	4.00%
2028	6.00%	4.00%
2029	5.75%	4.25%
2030	5.50%	4.25%
2031	5.25%	4.25%
2032	5.00%	4.25%
2033	4.75%	4.50%
2034+	4.50%	4.50%

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

**NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2023, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the District proportionate share of the net OPEB liability to changes in Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$30,295	\$31,133	\$32,083

Discount Rate. The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2024, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF were \$0.020 million.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025**

**NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25% as of the measurement date, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 38,154	\$ 31,133	\$ 25,080

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 21, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

GVR METROPOLITAN DISTRICT
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	\$ 2,487,891	\$ 2,474,060	\$ (13,831)
Specific ownership taxes	124,395	118,693	(5,702)
Rental Activities	4,215	4,140	(75)
Net Investment Income	480,990	514,280	33,290
Other Income	-	6,077	6,077
Total Revenue	<u>3,097,491</u>	<u>3,117,250</u>	<u>19,759</u>
Expenditures			
Current			
Personnel Services	927,200	899,199	28,001
Contract Services	767,929	431,399	336,530
District Operations	49,915	26,139	23,776
Administrative Operations	233,080	159,235	73,845
Common Area Operations	420,660	354,339	66,321
Capital Outlay	440,000	189,458	250,542
Contingency	258,821	-	258,821
Total Expenditures	<u>3,097,605</u>	<u>2,059,769</u>	<u>1,037,836</u>
Excess Revenue Over (Under)			
Expenditures	<u>(114)</u>	<u>1,057,481</u>	<u>1,057,595</u>
Other financing sources (uses)			
Gain (Loss) on Sale of Assets	-	6,800	6,800
Insurance Proceeds	-	52,913	52,913
Transfers In	-	50	50
Total other financing sources (uses)	<u>-</u>	<u>59,763</u>	<u>59,763</u>
Net change in fund balances	(114)	1,117,244	1,117,358
Fund Balance—Beginning of year	<u>10,951,025</u>	<u>11,294,044</u>	<u>343,019</u>
Fund Balance—End of Year	<u>\$ 10,950,911</u>	<u>\$12,411,288</u>	<u>\$ 1,460,377</u>

The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Community Program Fund
For the Year Ended December 31, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:			
Recreation Programs	\$ 600	\$ 651	\$ 51
Total Revenue	<u>600</u>	<u>651</u>	<u>51</u>
Expenditures:			
Personnel Services	-	-	-
Contract Services	-	-	-
Administrative Operations	300	345	(45)
Program Operations	<u>300</u>	<u>256</u>	<u>44</u>
Total Expenditures	<u>600</u>	<u>601</u>	<u>(1)</u>
Excess Revenue Over (Under)			
Expenditures	<u>-</u>	<u>50</u>	<u>50</u>
Other financing sources (uses)			
Interfund transfers	<u>-</u>	<u>(50)</u>	<u>(50)</u>
Total other financing sources (uses)	<u>-</u>	<u>(50)</u>	<u>(50)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance—Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GVR METROPOLITAN DISTRICT
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Conservation Trust Fund
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Conservation Trust Funds	\$ 104,000	\$ 103,073	\$ (927)
Net Investment Income	480	555	75
Total Revenue	<u>104,480</u>	<u>103,628</u>	<u>(852)</u>
Expenditures:			
Personnel Services	\$ 31,629	\$ -	\$ 31,629
Contract Services	12,260	-	12,260
Administrative Operations	5,850	-	5,850
Common Area Operations	341,000	30,028	310,972
Capital Outlay	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>415,739</u>	<u>30,028</u>	<u>385,711</u>
Excess Revenue Over (Under)			
Expenditures	<u>(311,259)</u>	<u>73,600</u>	<u>384,859</u>
Fund Balance—Beginning of year	<u>987,421</u>	<u>980,140</u>	<u>(7,281)</u>
Fund Balance—End of Year	<u>\$ 676,162</u>	<u>\$ 1,053,740</u>	<u>\$ 377,578</u>

GVR METROPOLITAN DISTRICT
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—HOA Contract Fund
For the Year Ended December 31, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:			
Contracts & Grants	\$ 181,800	\$ 181,800	\$ -
Total Revenue	<u>181,800</u>	<u>181,800</u>	<u>-</u>
Expenditures:			
Personnel Services	\$ 140,494	\$ 138,466	\$ 2,028
Contract Services	2,100	1,275	825
Administrative Operations	<u>39,206</u>	<u>30,034</u>	<u>9,172</u>
Total Expenditures	<u>181,800</u>	<u>169,775</u>	<u>12,025</u>
 Excess Revenue Over (Under)			
Expenditures	<u>-</u>	<u>12,025</u>	<u>12,025</u>
 Other financing sources (uses)			
Interfund transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balances	<u>-</u>	<u>12,025</u>	<u>12,025</u>
 Fund Balance—Beginning of year	<u>-</u>	<u>6,817</u>	<u>6,817</u>
Fund Balance—End of Year	<u><u>\$ -</u></u>	<u><u>\$ 18,842</u></u>	<u><u>\$ 18,842</u></u>

GVR METROPOLITAN DISTRICT
Retirement Plan Supplemental Information
For the Year Ended December 31, 2025

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

Year Ending*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2016	0.119%	\$ 1,317,965	\$ 622,283	211.80%	76.87%
12/31/2017	0.103%	\$ 1,395,684	\$ 626,477	222.78%	73.65%
12/31/2018	0.099%	\$ 1,104,580	\$ 626,075	176.43%	73.65%
12/31/2019	0.100%	\$ 1,197,860	\$ 553,300	216.49%	73.65%
12/31/2020	0.080%	\$ 583,621	\$ 565,070	103.28%	86.26%
12/31/2021	0.080%	\$ 417,399	\$ 575,077	72.58%	90.88%
12/31/2022	0.077%	\$ (66,263)	\$ 755,520	-8.77%	101.49%
12/31/2023	0.092%	\$ 926,780	\$ 768,458	120.60%	82.99%
12/31/2024	0.087%	\$ 642,080	\$ 785,827	81.71%	88.03%
12/31/2025	0.082%	\$ 502,479	\$ 828,840	60.62%	90.45%

Schedule of Employer Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2016	\$ 85,827	\$ 85,827	-	\$ 622,283	13.8%
12/31/2017	85,703	85,703	-	626,477	13.7%
12/31/2018	79,355	79,355	-	626,075	12.7%
12/31/2019	75,401	75,401	-	553,300	13.6%
12/31/2020	73,720	73,720	-	565,072	13.0%
12/31/2021	76,137	76,137	-	575,077	13.2%
12/31/2022	101,875	101,875	-	755,520	13.5%
12/31/2023	105,586	105,586	-	768,458	13.7%
12/31/2024	108,130	108,130	-	785,827	13.8%
12/31/2025	114,297	114,297	-	828,840	13.8%

* The data provided in these schedules are based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

OTHER SUPPLEMENTARY INFORMATION

GVR METROPOLITAN DISTRICT
Combining Balance Sheet
Non-Major Funds
December 31, 2025

	Community Program Fund	Conservation Trust Fund	Total 2025
Assets			
Cash and Investments	-	1,053,740	\$ 1,053,740
Accounts Receivable (net)	6,654	-	6,654
Total assets	<u>\$ 6,654</u>	<u>\$ 1,053,740</u>	<u>\$ 1,060,394</u>
Liabilities			
Accounts payable	\$6,595	-	6,595
Credit Cards Payable	59	-	59
Total liabilities	<u>6,654</u>	<u>-</u>	<u>6,654</u>
Fund Balances			
Restricted	-	1,053,740	1,053,740
Total Fund Balances	<u>-</u>	<u>1,053,740</u>	<u>1,053,740</u>
Total Liabilities, Fund Balance and Deferred Inflows of Resources	<u>\$ 6,654</u>	<u>\$ 1,053,740</u>	<u>\$ 1,060,394</u>

The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT
Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2025

	Community Program Fund	Conservation Trust Fund	Total 2025
Revenues			
Conservation Trust Funds	\$ -	\$ 103,073	\$ 103,073
Recreation Programs	651	-	651
Investment Income	-	555	555
Total General Revenues	<u>651</u>	<u>103,628</u>	<u>104,279</u>
Expenditures			
Administrative Operations	345	-	345
Common Area Operations	-	30,028	30,028
Program Operations	<u>256</u>	<u>-</u>	<u>256</u>
Total Expenditures	<u>601</u>	<u>30,028</u>	<u>30,629</u>
Excess of revenues over (under) expenditures	50	73,600	73,650
Other financing sources (uses)			
Interfund transfers	<u>(50)</u>	<u>-</u>	<u>(50)</u>
Total other financing sources (uses)	<u>(50)</u>	<u>-</u>	<u>(50)</u>
Net change in fund balances	-	73,600	73,600
Fund balances:			
Beginning of the year, as restated	<u>-</u>	<u>980,140</u>	<u>980,140</u>
End of the year	<u>\$ -</u>	<u>\$ 1,053,740</u>	<u>\$ 1,053,740</u>

The accompanying notes are an integral part of these financial statements.

GVR METROPOLITAN DISTRICT
Summary of Assessed Valuation,
Mill Levy, and Property Taxes Collected

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2021	\$ 134,589,840	20.094	0.000	\$ 2,704,447	\$ 2,651,566	98.04%
2022	\$ 134,589,840	20.094	0.000	\$ 2,704,447	\$ 2,841,188	105.06%
2023	\$ 136,966,600	20.094	0.000	\$ 2,752,206	\$ 2,748,522	99.87%
2024	\$ 162,902,200	12.000	0.000	\$ 1,954,825	\$ 2,089,280	106.88%
2025	\$ 164,826,480	15.094	0.000	\$ 2,487,890	\$ 2,474,060	99.44%
Estimated for the year ending 12/31/2026	\$ 165,575,210	16.603	0.000	\$ 2,749,044		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year or levy.

CONTINUING DISCLOSURE
ANNUAL FINANCIAL INFORMATION

GVR METROPOLITAN DISTRICT
Continuing Disclosure Annual Financial Information
December 31, 2025

AD VALOREM PROPERTY TAX DATA

A ten year history of the District's assessed valuation and mill levies is set forth in the following chart:

HISTORY OF ASSESSED VALUATION IN THE DISTRICT

Levy Year/ Collection Year	Assessed Valuation	Percent Increase (Decrease)	Total Mill Levy
2016/2017	\$ 87,241,500	0.97%	20.094
2017/2018	\$ 108,103,300	22.83%	20.094
2018/2019	\$ 133,104,590	23.13%	20.094
2019/2020	\$ 135,450,160	1.76%	20.094
2020/2021	\$ 134,589,840	-0.64%	20.094
2021/2022	\$ 142,340,580	5.45%	20.094
2022/2023	\$ 136,966,600	-3.92%	20.094
2023/2024	\$ 162,902,200	15.92%	12.000
2024/2025	\$ 164,826,480	1.17%	15.094
2025/2026	\$ 165,575,210	0.45%	16.603