GVR METROPOLITAN DISTRICT
Denver County, Colorado

FINANCIAL STATEMENTS
December 31, 2018

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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, 2018.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $10,897,434.
- There was an increase in the government's total net position of $1,033,240. This increase can be attributed to the reduction of expenses and increase in property values.
- As of the close of the current fiscal year, the District's General Fund reported an ending fund balance of $4,028,823, an increase of $820,705 in comparison with the prior year. This increase was due to budgeted capital projects not being completed. Of this total amount, $2,793,778 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 Auditor's Opinion can be found on page 1 of this report. The District's financial statements can be found on pages 5 through 11 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, 2018

		2018	2017 (restated)
Current and other assets	$	7,333,195	6,151,942
Capital Assets		7,680,843	7,504,739
Deferred outflows of resources		167,203	201,097
Total assets and deferred outflows of resources		15,181,241	13,857,778
Current liabilities		140,932	332,146
Long term liabilities		1,204,755	1,489,211
Deferred inflows of resources		2,938,120	2,172,227
Total liabilities and deferred inflows of resources		4,282,807	3,993,584
Net Position:			
Net Investment in Capital Assets		7,680,843	7,504,739
Restricted		540,804	490,337
Unrestricted		1,514,880	513,355
Unrestricted-Designated		1,160,907	1,355,763
Total Net Position	$	10,897,434	9,864,194

The restricted portion of the net position represents cash and cash equivalents reserved for emergencies in the General Fund, for expenses in the Conservation Trust Fund and the HOA Contract Fund. The long term debt is pension liability and post-employment benefits in PERA. 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, 2018

		2018		2017 (restated)
Revenues:				
General Revenues				
Taxes	$	2,289,224	$	1,898,341
Interest Earnings & Other Income		81,307		42,275
Program Revenues		231,837		298,433
Total Revenues		2,602,368		2,239,049
Expenses:				
General Government & Programs		1,569,128		1,769,975
Total Expenses		1,569,128		1,769,975
Change in Net Position		1,033,240		469,074
Net Position – Beginning as restated		9,864,194		9,395,120
Net Position – Ending	$	10,897,434	$	9,864,194

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 $1,033,240 to $10,897,434 as restated in 2018.

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 13 through 41 of this report.

General Fund Budgetary Highlights
Expenditures and revenues were received and spent as budgeted during 2018. In 2018, investment income rates were slightly higher than anticipated. The budgeted emergency and contingency funds were not required to be used. These changes resulted in an excess of revenues over expenditures of $862,716 before the transfer out of $42,011 to the Community Program Fund. After the transfer out, the General Fund had an excess of revenues over expenditures and other uses of funds of $820,705.

Capital Assets and Debt Administration

Capital assets: The District's investment in capital assets as of December 31, 2018 amounts to $7,680,843 (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, 2018, the District's portion of the net pension liability for PERA's Local Government Division Trust Fund and liability for post-employment benefits is $1,104,580. 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 9 through 10. Additional information on the District's post-employment benefits liability can be found in note 11.

Economic Factors and Next Year's Budgets and Rates

While housing foreclosures for Colorado have slowed, other economic trends in the region compare favorably to national indices (Colorado unemployment rate was 3.5% while the national rate was 3.9%, etc.). The assessed valuation of the District increased slightly. Property tax remains the primary source of revenue for the District. The 2019 Budget was adopted December 12, 2018. There was no change in the level of services provided in the GVR Metropolitan District's 2019 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.

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Haynie & Company
Certified Public Accountants (a professional corporation)
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Independent Auditor's Report

Members of the Board of Directors
GVR Metropolitan District
Denver County, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of GVR Metropolitan District (the "District") as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each the major fund and the aggregate remaining fund information of GVR Metropolitan District, as of December 31, 2018 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.

Emphasis of a Matter

As discussed in Note 7 to the financial statements, management has implemented GASB Statement No. 75. As a result of this change in accounting principle, the net position as of December 31, 2017 has been restated. Our opinion is not modified with respect to this matter.

Other-Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GVR Metropolitan District's financial statements as a whole. The other supplementary information and continuing disclosure annual financial information sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The other supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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.

Haynie & Co.

Littleton, Colorado
July 30, 2019

GENERAL PURPOSE FINANCIAL STATEMENTS

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GVR METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2018

		Governmental Activities
ASSETS		
Current Assets:		
Cash Deposits and Investments (Note 3)	$	4,601,200
Receivable From County Treasurer		2,674,604
Accounts Receivable		25,905
Prepaid Expenses		30,986
Un-deposited Funds		500
Total Current Assets		7,333,195
CAPITAL ASSETS		
Capital Assets, Net (Note 4)		7,680,843
Total Assets		15,014,038
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pension		160,329
Deferred Outflows Related to OPEB		6,874
Total Deferred Outflows of Resources		167,203
Total Assets and Deferred Outflows of Resources	$	15,181,241
LIABILITIES		
Current Liabilities:		
Accounts Payable		5,828
Credit Cards		3,216
Payroll Liabilities		46,887
Deposits		40,183
Escheated Funds		45
Compensated Absence		44,773
Total Current Liabilities		140,932
Long-Term Liabilities:		
Net Pension Liability		1,104,580
Net OPEB Liability		100,175
Total Long-Term Liabilities		1,204,755
DEFERRED INFLOWS OF RESOURCES		
Property Tax Revenue		2,674,604
Deferred Inflows Related to Pension		261,840
Deferred Inflows Related to OPEB		1,676
Total Deferred Inflows of Resources		2,938,120

These financial statements should be read only in connection with the accompanying notes to financial statements.

GVR METROPOLITAN DISTRICT
STATEMENT OF NET POSITION (cont.)
December 31, 2018

NET POSITION		
Net Investment in Capital Assets		7,680,843
Restricted for:		
HOA Services		8,162
Conservation Trust Fund		480,674
Emergency Reserve		51,968
Unrestricted		1,514,880
Unrestricted-Designated		1,160,907
Total Net Position		10,897,434
Total liabilities, deferred inflows or resources, and net position	$	15,181,241

These financial statements should be read only in connection with the accompanying notes to financial statements.

GVR METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

		Program Revenue			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Primary Government					
Governmental activities:					
General Government	$ 1,347,859	$ 10,707	$ -	$ -	$ (1,337,152)
Community Programs	221,269	133,976	87,154	-	(139)
	1,569,128	144,683	87,154	-	(1,337,291)
General Revenues					
Property Taxes					2,163,537
Specific Ownership Taxes					125,687
Net Investment Incomes					81,307
Total General Revenues					2,370,531
Change in Net Position					1,033,240
Net Position-beginning of year, as restated					9,864,194
Net Position – End of year					$ 10,897,434

These financial statements should be read only in connection with the accompanying notes to financial statements.

GVR METROPOLITAN DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEETS
December 31, 2018

	Governmental Fund Types		
	General Fund	Non Major Governmental Funds	2018
ASSETS			
Cash and Investments	$ 4,109,245	$ 491,955	$ 4,601,200
Receivable from County Treasurer	2,674,604	-	2,674,604
Accounts Receivable (net)	16,993	8,912	25,905
Prepaid Expenses	29,169	1,817	30,986
Un-Deposited Funds	-	500	500
TOTAL ASSETS	6,830,011	503,184	7,333,195
LIABILITIES			
Accounts Payable	4,439	1,389	5,828
Credit Cards Payable	2,219	997	3,216
Payroll Liabilities	36,670	10,217	46,887
Deposits Held in Custody	40,183	-	40,183
Escheated Funds	-	45	45
Compensated Absence	43,073	1,700	44,773
Total Liabilities	126,584	14,348	140,932
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	2,674,604	-	2,674,604
Total Deferred Inflows of Resources	2,674,604	-	2,674,604
FUND BALANCES			
Restricted:			
Conservation Trust Fund	-	480,674	480,674
Emergency Reserve	51,968	-	51,968
Assigned:			
Community Programs	-	(1,163)	(1,163)
HOA Services	-	7,508	7,508
Capital Outlay	1,153,908	-	1,153,908
Unassigned:	2,793,778	-	2,793,778
Nonspendable:	29,169	1,817	30,986
Total Fund Balance	4,028,823	488,836	4,517,659
TOTAL LIABILITIES, FUND BALANCE AND DEFERRED INFLOWS OF RESOURCES	$ 6,830,011	$ 503,184	$ 7,333,195

These financial statements should be read only in connection with the accompanying notes to financial statements.

GVR METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2018

Total Governmental Fund Balances		$ 4,517,659
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred Outflows Related to Pension	160,329	
Deferred Inflows Related to Pension	(261,840)	
Deferred Outflows Related to OPEB	6,874	
Deferred Inflows Related to OPEB	(1,676)	
		(96,313)
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	8,383,547	
Less accumulated depreciation – General Fund	(702,704)	
		7,680,843
Some liabilities, including net pension liability and net pension asset are not due and payable in the current period and therefore are not reported in the fund balance sheet.		
Net pension liability	(1,104,580)	
Net OPEB liability	(100,175)	
		(1,204,755)
Net Position of Governmental Activities		$ 10,897,434

These financial statements should be read only in connection with the accompanying notes to financial statements.

GVR METROPOLITAN DISTRICT
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
December 31, 2018

	Governmental Fund Types		
	General Fund	Non Major Governmental Funds	2018
REVENUES			
Property Taxes	$ 2,163,537	-	2,163,537
Specific Ownership Taxes	125,687	-	125,687
Contracts & Grants	-	6,000	6,000
Conservation Trust Funds	-	87,154	87,154
Donations	-	735	735
Recreation Programs	-	133,976	133,976
Rental Activities	3,190	-	3,190
Net Investment Income	81,261	46	81,307
Other Income	50	732	782
Total Revenues	2,373,725	228,643	2,602,368
EXPENDITURES			
Current			
Personnel Services	635,843	159,309	795,152
Contract Services	226,109	1,787	227,896
District Operations	23,598	-	23,598
Administrative Operations	145,637	21,799	167,436
Common Area Operations	271,731	8,968	280,699
Program Operations	-	10,454	10,454
Capital Outlay	208,091	18,952	227,043
Total Expenditures	1,511,009	221,269	1,732,278
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	862,716	7,374	870,090
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	(42,011)	42,011	-
Total Other Financing Sources (Uses)	(42,011)	42,011	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	820,705	49,385	870,090
FUND BALANCE – BEGINNING	3,208,118	439,451	3,647,569
FUND BALANCE – ENDING	$ 4,028,823	$ 488,836	$ 4,517,659

These financial statements should be read only in connection with the accompanying notes to 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
December 31, 2018

Amounts reported for governmental activities in the statement of activities are different because:				
Net Changes in Fund Balances – Total Governmental Funds			$	870,090
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	$	227,043		
Depreciation expense – General Fund		(50,939)		
				176,104
Elimination of transfers between governmental funds:				
Transfers In	$	42,011		
Transfers Out		(42,011)		
				-
Pension expenses and income do not use current financial resources and are excluded from the funds:				
Current-year pension contributions		79,559		
Pension Expense		(91,063)		
Current-year OPEB contributions		6,400		
OPEB Expense		(7,850)		
				(12,954)
Change in Net Position of Governmental Activities			$	1,033,240

These financial statements should be read only in connection with the accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

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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.

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.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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 Fixed Assets Account Group – This group of accounts is established to account for recorded fixed 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property (continued)
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:

Asset Type	Useful Life
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 activities column of the statement of net position.

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 activities 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 unearned revenue. The projected property tax revenue is recorded as revenue in the year they are available or collected.

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 \$51,968 from fund balance in compliance with this requirement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2018, 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, 2018, the District's cash deposits had a bank balance and a carrying balance as follows:

	Bank Balance	Carrying Balance
Insured Deposits	$ 676,889	$ 673,877

At December 31, 2018, the District also had a petty cash account with a balance of $492.

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.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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

COLOTRUST

As of December 31, 2018, the District had invested in the Colorado Local Government Liquid Asset Trust (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 Trust operates similarly to a money market fund and each share is equal in value to $l.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investment and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2018, the District had $3,926,831 invested in COLOTRUST PLUS+.

For investments, 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. The investments in COLOTRUST may be categorized as follows: (1) insured or registered or for which the securities are held by the Trust or the custodian bank in the Trust's name (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the Trust's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer or by its trust department or agent but not in the Trust's name. Investment securities are categorized to give an indication of the level of risk, including credit risk. All investments of the Trust, including the repurchase agreements, are classified in Category 1. COLOTRUST has a current credit rating of AAAm from Standard and Poor's Rating Agency.

COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in property and equipment for the year ended December 31, 2018 follows:

By Classification	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
Non-Depreciable				
Land	$ 530,344	$ -	$ -	$ 530,344
Const. In Progress	852,375	227,043	-	1,079,418
Common Areas -				
Landscaping	5,718,956	-	-	5,718,956
Total Non-Depreciable	7,101,675	227,043	-	7,328,718
Depreciable				
Community Center	257,796	-	-	257,796
Equipment	319,127			319,127
Vehicles	341,249	-	-	341,249
Land Improvements	136,657	-	-	136,657
Total Depreciable	1,054,829			1,054,829
Less Accumulated Depreciation				
General Fund	(651,765)	(50,939)		(702,704)
Net Depreciable	403,064	(50,939)	-	352,125
Net	$ 7,504,739	$ 176,104	$ -	$ 7,680,843

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 $50,939 was charged to General Government functions.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in general long-term obligations for the year ended December 31, 2018:

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018	Amount Due in One Year
Net Pension Liability	1,395,684	$ 91,063	$ 382,167	$ 1,104,580	$
Net OPRB Liability	93,527	6,648	-	100,175	
	1,489,211	97,711	382,167	1,204,755	

The detail of the District's long-term debt is as follows:

On October 11, 1983, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not-to-exceed $31,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

Purpose	Unissued Indebtedness
Streets	$ 9,365,511
Water	2,504,489
Safety	620,000
Parks and recreation	3,720,000
	$ 16,210,000

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 one of approximately 1,392 special districts which are members of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2018. 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 Pool provides coverage for property claims up to $100,000,000 and liability coverage for claims up to $500,000. Employment related wrongful termination claims are shared 50% with the Pool up to $200,000 ($100,000 Pool and $100,000 District). The District is responsible for all claims in excess of $200,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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.

NOTE 7 – ECONOMIC DEPENDENCE

The majority of the system development charges relate to the commercial properties building in the District.

NOTE 8 – TAX, SPENDING AND DEBT LIMITATIONS

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

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

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.

NOTE 8 – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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 9 – 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 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.

Plan Description
Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (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 comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided
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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent 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.

The service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent 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.

The service retirement benefit is limited to 100 percent of highest average salary and also 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 percent or 100 percent 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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available to 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 retirement benefit formula 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.

Contributions

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Rate
Employer Contribution Rate[1]	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%
Amount Apportioned to the LGDTF[1]	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411[1]	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411[1]	1.50%
Total Employer Contribution Rate to the LGDTF[1]	12.68%

[1]Rates 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 $79,559 for the year ended December 31, 2018.

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

At December 31, 2018 the District reported a liability of $1,104,580 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employer to the LGDTF.

At December 31, 2017, the Districts proportion was 0.099 percent, which was a decrease of 0.004 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the District recognized pension expense of $253,496. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$69,101	-
Changes of assumptions or other inputs	11,669	-
Net difference between projected and actual earnings on pension plan investments	-	214,714
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	47,136
Contributions subsequent to the measurement date	79,559	-
Total	$160,329	$261,840

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

$79,559 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized in net position liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in net pension liability as follows:

Year ended December 31,	
2019	5,919
2020	(29,2995)
2021	(78,082)
2022	(79,612)
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expense, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	2.00 percent
PERA Benefit Structure hired after 12/31/06	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, 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 percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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%.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. 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 3.50%.

- Employee contributions were assumed to be made at the current member contribution rate. 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 and effective as of the measurement date, including 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 included 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, 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. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e. the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e. the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net 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 end of the month.

Based on the above assumptions and methods, LGDTF's fiduciary net position 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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate of determination does not use the municipal bond index rate and therefore, the discount rate is 7.25 percent.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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	1,759,237	1,104,580	558,828

Pension plan fiduciary net position

Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the pension plan

Changes between the measurement date of the net pension liability and December 31, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provision required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raised the retirement age for new employees.

- Member contributions, employer contributions, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, in the Local Government Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At December 31, 2018, the GVR Metropolitan District reported a liability of $1,104,580 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule present an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provision of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	$1,104,580

NOTE 10 – 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, 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.

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, 2018, program members contributed $19,599 and the District recognized pension expense $9,598 for the Voluntary Investment Program.

NOTE 11 – 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 OPEB fund 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 and additions to/deductions from the fiduciary net position 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 C.R.S., as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 health care subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-finaicial-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 and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorces 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 basis for 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 percent 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 the benefit recipients not covered by Medicare Part A.

DPS 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 basis for 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 percent 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 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 or the DPS 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 percent of PERA-includable salary into the HCTF.

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $6,400 for the year ended December 31, 2018.

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

At December 31, 2018, the District reported a liability of $100,175 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District's portion of the net OPEB was based on District contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the District's portion was .008 percent.

For the year ended December 31, 2018, the District recognized OPEB expense of $7,850. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$474	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,676
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	6,400	-
Total	$6,874	$1,676

$6,400 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, 2018. 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,	
2018	(326)
2019	(326)
2020	(326)
2021	(326)
2022	93
2023	8
Thereafter	-

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment Rate of Return, net of OPEB plan investment expense, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS Benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates for Medicare Part A premiums.

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Division participate in the HCTF.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rated of PERACare participation were revised to reflect more closely actual experience.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.

- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.

- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.

- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.

- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.

- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, 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 percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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%.

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Sensitivity of the GVR Metropolitan 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
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	97,419	100,175	103,495

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied to 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, 2017, 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 3.50%.

- 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

NOTE 11 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the GVR Metropolitan District 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 percent, 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 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 OPEB liability	112,628	100,175	89,546

OPEB plan fiduciary net position

Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

The District has implemented new accounting standards that are applied retroactively.

- Net Position as of December 31, 2017, has been restated for the implementation of GASBS 75

The beginning net position balance has been restated as follows to reflect these costs in the prior year.

Net Position as previously reported at December 31, 2017	$ 9,957,721
Retroactive application of GASB 75	(93,527)
Net position as restated, January 1, 2018	$9,864,194

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REQUIRED SUPPLEMENTAL INFORMATION

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GVR METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
Year Ended December 31, 2018

	General Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property Taxes	2,172,227	2,163,537	(8,690)
Specific Ownership Taxes	130,334	125,687	(4,647)
Rental Activities	2,700	3,190	490
Net Investment Income	18,546	81,261	62,715
Other Income	-	50	50
Total Revenues	2,323,807	2,373,725	49,918
EXPENDITURES			
Current			
Personnel Services	688,111	635,843	52,268
Contract Services	255,831	226,109	29,722
District Operations	21,682	23,598	(1,916)
Administrative Operations	316,611	145,637	170,974
Common Area Operations	288,600	271,731	16,869
Capital Outlay	1,235,911	208,091	1,027,820
Contingency	98,615	-	98,615
Total Expenditures	2,905,361	1,511,009	1,394,352
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(581,554)	862,716	1,444,270
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	(64,103)	(42,011)	22,092
Total Other Financing Sources (Uses)	(64,106)	(42,011)	22,092
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(645,657)	820,705	1,466,362
FUND BALANCE – BEGINNING	3,103,671	3,208,118	104,447
FUND BALANCE – ENDING	$ 2,458,014	$ 4,028,823	$ 1,570,809

GVR METROPOLITAN DISTRICT
RETIREMENT PLAN SUPPLEMENTARY INFORMATION
Year Ended December 31, 2018

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	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2015	0.120%	$ 1,084,449	$ 681,053	159.23%	80.72%
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%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
** The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.*

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
12/31/2011	80,490	80,490	-	591,464	13.7%
12/31/2012	85,645	85,645	-	634,736	13.7%
12/31/2013	89,382	89,382	-	643,283	13.7%
12/31/2014	90,827	92,827	-	675,451	13.7%
12/31/2015	93,088	93,088	-	681,053	13.7%
12/31/2016	85,827	85,827	-	622,283	13.7%
12/31/2017	85,703	85,703	-	626,477	13.7%
12/31/2018	79,355	79,355	-	626,075	13.7%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

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GVR METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
December 31, 2018

	Community Program Fund	Conservation Trust Fund	HOA Contract Fund	Totals 2018
ASSETS				
Cash and Investments	$ -	$ 480,674	$ 11,281	$ 491,955
Accounts Receivable (net)	8,912	-	-	8,912
Pre-Paid Expenses	1,163	-	654	1,817
Un-Deposited Funds	-	-	500	500
TOTAL ASSETS	10,075	480,674	12,435	503,184
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	1,389	-	-	1,389
Credit Cards Payable	157	-	840	997
Payroll Liabilities	6,784	-	3,433	10,217
Escheated Funds	45	-	-	45
Compensated Absence	1,700	-	-	1,700
Total Liabilities	10,075	-	4,273	14,348
FUND BALANCE				
Restricted	-	480,674	7,508	488,182
Assigned	(1,163)	-	-	(1,163)
Non-spendable	1,163	-	654	1,817
Total Fund Balance	-	480,674	8,162	488,836
TOTAL LIABILITIES AND FUND BALANCE	$ 10,075	$ 480,674	$ 12,435	$ 503,184

GVR METROPOLITAN DISTRICT
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	Community Program Fund	Conservation Trust Fund	HOA Contract Fund	Totals 2018
REVENUE				
Contracts and Grants	$ -	$ -	$ 6,000	$ 6,000
Conservation Trust Funds	-	87,154	-	87,154
Recreation Programs	133,976	-	-	133,976
Donations	735	-	-	735
Investment Income	-	46	-	46
Other Income	732	-	-	732
Total Revenue	135,443	87,200	6,000	228,643
EXPENDITURES				
Personnel Services	156,121	-	3,188	159,309
Contract Services	223	1,464	100	1,787
Administrative Operations	10,656	-	11,143	21,799
Common Area Operations	-	8,968	-	8,968
Program Operations	10,454	-	-	10,454
Capital Outlay	-	18,952		18,952
Total expenditures	177,454	29,384	14,431	221,269
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(42,011)	57,816	(8,431)	7,374
OTHER FINANCING SOURCES				
Operating Transfers In	42,011	-	-	42,011
Total other financing sources	42,011	-	-	42,011
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	57,816	(8,431)	49,385
FUND BALANCE – BEGINNING	-	422,858	16,593	439,451
FUND BALANCE – ENDING	$ -	$ 480,674	$ 8,162	488,836

GVR METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COMMUNITY PROGRAM FUND
Year Ended December 31, 2018

	Community Program Fund		
	Original & Final Budget	**Actual**	**Variance- Favorable (Unfavorable)**
REVENUE			
Donations	700	735	35
Recreation Programs	176,368	133,976	(42,392)
Other Income	-	732	732
Total Revenue	177,068	135,443	(41,625)
EXPENDITURES			
Personnel Services	201,663	156,121	45,542
Contract Services	400	223	177
Administrative Operations	21,059	10,656	10,403
Program Operations	18,049	10,454	7,595
Total expenditures	241,171	177,454	63,717
EXCESS OF REVENUE (UNDER) EXPENDITURES	(64,103)	(42,011)	22,092
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (out)	64,103	42,011	22,092
Total other financing sources (uses)	64,103	42,011	22,092
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-
FUND BALANCE – BEGINNING	-	-	-
FUND BALANCE – ENDING	$ -	$ -	$ -

GVR METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CONSERVATION TRUST FUND
Year Ended December 31, 2018

	Conservation Trust Fund		
	Original and Final Budget	Actual	Variance- Favorable (Unfavorable)
REVENUE			
Conservation Trust Funds	80,000	87,154	7,154
Net Investment Income	24	46	22
Total Revenue	80,024	87,200	7,176
EXPENDITURES			
Personnel Services	50,913	-	50,913
Contract Services	8,964	1,464	7,500
Administrative Operations	7,500	-	7,500
Common Area Operations	59,500	8,968	50,532
Capital Outlay	105,000	18,952	86,048
Total expenditures	231,877	29,384	202,493
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(151,853)	57,816	209,669
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (out)	-	-	-
Total other financing sources (uses)	-	-	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(151,853)	57,816	209,669
FUND BALANCE – BEGINNING	375,136	422,858	47,722
FUND BALANCE – ENDING	$ 223,283	$ 480,674	$ 257,391

GVR METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – HOA CONTRACT FUND
Year Ended December 31, 2018

	HOA Contract Fund		
	Original and Final Budget	Actual	Variance-Favorable (Unfavorable)
REVENUE			
Contracts & Grants	$ 6,000	$ 6,000	$ -
Total Revenue	6,000	6,000	-
EXPENDITURES			
Personnel Services	-	3,188	(3,188)
Contract Services	-	100	(100)
Administrative Operations	14,432	11,143	3,289
Total expenditures	14,432	14,431	1
EXCESS OF REVENUE (UNDER) EXPENDITURES	(8,432)	(8,431)	1
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (out)	-	-	-
Total other financing sources (uses)	-	-	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(8,432)	(8,431)	1
FUND BALANCE – BEGINNING	8,432	16,593	8,161
FUND BALANCE – ENDING	$ -	$ 8,162	$ 8,163

GVR METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED
December 31, 2018

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	
2010	$ 63,892,350	13.165	8.837	$ 1,405,759	$ 1,400,062	99.59%
2011	$ 64,346,490	18.220	8.863	$ 1,742,696	$ 1,717,756	98.57%
2012	$ 63,092,430	18.220	8.863	$ 1,708,732	$ 1,693,499	99.11%
2013	$ 65,803,100	20.094	12.863	$ 2,168,673	$ 2,150,217	99.15%
2014	$ 60,969,250	20.094	12.863	$ 2,009,364	$ 2,011,202	100.09%
2015	$ 61,464,870	20.094	0.00	$ 1,235,075	$ 1,231,442	99.71%
2016	$ 87,241,500	20.094	0.00	$ 1,753,031	$ 1,752,617	99.98%
2017	$ 88,088,100	20.094	0.00	$ 1,768,435	$ 1,767,963	99.97%
2018	$ 108,103,300	20.094	0.00	$ 2,172,228	$ 2,163,537	99.60%
Estimated for the year Ending December 31, 2019	$ 133,104,590	20.094	-	$ 2,674,604		

NOTE:

Property taxes collected in any one year included collection of delinquent property taxes assessed in prior years.

Information received from the County Treasurer does not permit identification of specific year of assessment.

CONTINUING DISCLOSURE

ANNUAL FINANCIAL INFORMATION

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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
2009/2010	$	63,892,350	(24.80%)	22.002
2010/2011	$	64,346,490	.71%	27.083
2011/2012	$	63,092,430	(1.95%)	27.083
2012/2013	$	65,803,100	4.30%	32.957
2013/2014	$	60,969,250	(7.35%)	32.957
2014/2015	$	61,464,870	0.81%	20.094
2015/2016	$	87,241,500	41.94%	20.094
2016/0217	$	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

The following table sets forth the 2018 assessed valuation of specific classes of property within the District:

ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT

Class		2018 Assessed Valuation	Percent of 2018 Assessed Valuation
Residential	$	97,681,800	73.39%
Vacant		1,081,330	0.81%
Commercial		3,758,400	2.82%
Personal Property		2,725,960	2.05%
State assessed		27,857,100	20.93%
Total	$	133,104,590	100.00 %