



GVR METROPOLITAN DISTRICT
Denver County, Colorado

FINANCIAL STATEMENTS
December 31, 2014

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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, 2014.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$9,419,701.
- There was an increase in the government's total net position of \$1,604,343. This increase can be attributed to the reduction of expenses.
- As of the close of the current fiscal year, the District's General Fund reported an ending fund balance of \$2,451,752, a decrease of \$1,362,677 in comparison with the prior year. This decrease was due to paying off the District bonds. Of this total amount, \$1,750,861 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, 2014**

	2014	2013
Current and other assets	\$ 4,117,005	6,784,950
Capital Assets	6,625,860	5,881,531
Total Assets	<u>10,742,865</u>	<u>12,666,481</u>
Long-term liabilities outstanding	-	2,775,351
Other liabilities and deferred inflows of resources	<u>1,323,164</u>	<u>2,075,772</u>
Total liabilities and deferred inflows of resources	1,323,164	4,851,123
Net Position:		
Net Investment in Capital Assets	6,625,860	3,106,180
Restricted	384,706	900,969
Unrestricted	1,797,108	1,892,034
Unrestricted-Designated	612,027	1,916,175
Total Net Position	<u>\$ 9,419,701</u>	<u>7,815,358</u>

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 for the HOA Contract Fund. The long term debt was set up to be repaid through the levying of property tax during the life of the bonds. The bonds were paid in full in December, 2014. 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, 2014**

	2014	2013
Revenues:		
General Revenues		
Taxes & System Development Fees	\$ 2,147,227	\$ 2,430,370
Interest Earnings & Other Income	7,042	300,917
Program Revenues	1,005,175	-
Total Revenues	3,159,444	2,731,287
Expenses:		
General Government & Programs	1,512,152	1,200,247
Debt Service	42,949	100,473
Total Expenses	1,555,101	1,300,720
Change in Net Position	1,604,343	1,430,567
Net Position – Beginning as restated	7,815,358	6,384,791
Net Position – Ending	\$ 9,419,701	\$ 7,815,358

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 \$1,604,343 to \$9,419,701 in 2014.

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 15 through 25 of this report.

General Fund Budgetary Highlights

Expenditures and revenues were received and spent as budgeted during 2014. In 2014, 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 expenditures over revenues of \$1,337,804 before the transfer out of \$24,873 to the Community Program Fund. After the transfer out, the General Fund had an excess of expenditures over revenues and other uses of funds of \$1,362,677.

Capital Assets and Debt Administration

Capital assets: The District’s investment in capital assets as of December 31, 2014 amounts to \$6,625,860 (net of accumulated depreciation). The major assets owned by the District are common areas. The District owns one building, the Administration/Community Center Building, which is located 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 debt. All of the debt was paid in full December 1, 2014. Additional information on the District’s long-term debt can be found in Note 5.

Economic Factors and Next Year's Budgets and Rates

While housing foreclosures for Colorado are slowing, other economic trends in the region compare favorably to national indices (Colorado unemployment rate was 4.0% while the national rate was 5.6%, etc.). The assessed valuation of the District increased, due partially to continued residential development. Property tax remains the primary source of revenue for the District. The 2014 Budget was adopted December 11, 2013. There was no change in the level of services provided in the GVR Metropolitan District's 2014 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.



Certified Public Accountants (a professional corporation)
1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

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, 2014 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, 2014 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.

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.



Littleton, Colorado
June 3, 2015

GENERAL PURPOSE FINANCIAL STATEMENTS

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**GVR METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2014**

	Governmental Activities
ASSETS	
Current Assets:	
Cash Deposits and Investments (Note 3)	\$ 2,828,030
Receivable From County Treasurer	1,235,076
Accounts Receivable	6,946
Prepaid Expenses	42,747
Deposits	3,500
Un-deposited Funds	706
Total Current Assets	4,117,005
 CAPITAL ASSETS	
Capital Assets, Net (Note 4)	6,625,860
Total Assets	10,742,865
 LIABILITIES	
Current Liabilities:	
Accounts Payable	7,246
Credit Cards	8,171
Payroll Liabilities	38,720
Deposits	150
Escheated Funds	45
Compensated Absence	33,756
Total Current Liabilities	88,088
 DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1,235,076
Total Deferred Inflows of Resources	1,235,076
 NET POSITION	
Net Investment in Capital Assets	6,625,860
Restricted for:	
Conservation Trust Fund	292,845
Emergency Reserve	91,861
Unrestricted	1,797,108
Unrestricted-Designated	612,027
Total Net Position	\$ 9,419,701

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, 2014**

	<u>Expenses</u>	<u>Program Revenue</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants, Contributions and Interest</u>	<u>Capital Grants and Contributions</u>
Primary Government				
General Government	\$ 1,263,565	\$ 131,755	\$ -	\$ 684,200
Community Programs	248,587	112,009	77,211	-
Debt Service	42,949	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Governmental Activities	\$ <u>1,555,101</u>	\$ <u>243,764</u>	\$ <u>77,211</u>	\$ <u>684,200</u>
General Revenues				
Property Taxes				
Specific Ownership Taxes				
Investment Incomes				
Total General Revenues				
Change in Net Position				
Net Position-Beginning, as restated				
Net Position - Ending				

GVR METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2014

<i>Net (Expense)</i> Revenues and Changes in Net Position	Governmental Activities
\$	(447,610)
	(59,367)
	(42,949)
\$	(549,926)
	2,011,202
	136,025
	7,042
	2,154,269
	1,604,343
	7,815,358
\$	9,419,701

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

GVR METROPOLITAN DISTRICT
COMBINING BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2014

	Governmental Fund Types			2014
	General Fund	Debt Service Fund	Non Major Governmental Funds	
ASSETS				
Cash and Investments	\$ 2,476,659	\$ -	\$ 351,371	\$ 2,828,030
Receivable from County Treasurer	1,235,076	-	-	1,235,076
Accounts Receivable (net)	1,177	-	5,769	6,946
Prepaid Expenses	40,529	-	2,218	42,747
Deposits	3,500	-	-	3,500
Un-Deposited Funds	-	-	706	706
TOTAL ASSETS	<u>3,756,941</u>	<u>-</u>	<u>360,064</u>	<u>4,117,005</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	7,121	-	125	7,246
Credit Cards Payable	5,536	-	2,635	8,171
Payroll Liabilities	29,705	-	9,015	38,720
Deposits Held in Custody	150	-	-	150
Escheated Funds	-	-	45	45
Compensated Absence	27,602	-	6,154	33,756
Total Liabilities	<u>70,114</u>	<u>-</u>	<u>17,974</u>	<u>88,088</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	1,235,076	-	-	1,235,076
Total Deferred Inflows of Resources	<u>1,235,076</u>	<u>-</u>	<u>-</u>	<u>1,235,076</u>
FUND BALANCES				
Restricted:				
Conservation Trust Fund	-	-	292,845	292,845
Emergency Reserve	91,861	-	-	91,861
Assigned:				
Community Programs	-	-	(2,218)	(2,218)
HOA Services	-	-	49,245	49,245
Capital Outlay	565,000	-	-	565,000
Unassigned:	1,750,861	-	-	1,750,861
Nonspendable:	44,029	-	2,218	46,247
Total Fund Balance	<u>2,451,751</u>	<u>-</u>	<u>342,090</u>	<u>2,793,841</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 3,756,941</u>	<u>\$ -</u>	<u>\$ 360,064</u>	<u>\$ 4,117,005</u>

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, 2014**

Total Governmental Fund Balances	\$	2,793,841
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>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:</p>		
Cost of capital assets	\$	7,221,668
Less accumulated depreciation – General Fund		<u>(595,808)</u>
		<u>6,625,860</u>
Net Position of Governmental Activities	\$	<u><u>9,419,701</u></u>

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

GVR METROPOLITAN DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENT FUND TYPES
December 31, 2014

	<u>Governmental Fund Types</u>			<u>2014</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non Major Governmental Funds</u>	
REVENUES				
Property Taxes	\$ 1,226,237	784,965	-	2,011,202
Specific Ownership Taxes	136,025	-	-	136,205
Contracts & Grants	6	-	96,000	96,006
Conservation Trust Funds	-	-	77,211	77,211
Donations	-	-	954	954
Recreation Programs	-	-	112,009	112,009
Rental Activities	2,835	-	-	2,835
Net Investment Income	5,434	1,575	33	7,042
Other Income	31,882	-	78	31,960
Total Revenues	<u>1,402,419</u>	<u>786,540</u>	<u>286,285</u>	<u>2,475,244</u>
EXPENDITURES				
Current				
Personnel Services	655,268	-	187,637	842,905
Contract Services	146,571	-	2,381	148,952
District Operations	14,328	7,856	-	22,184
Administrative Operations	173,973	-	43,163	217,136
Common Area Operations	211,149	-	15,673	226,822
Program Operations	-	-	8,733	8,733
Debt Service Costs	1,497,596	1,320,705	-	2,818,301
Capital Outlay	41,338	-	64,210	105,548
Total Expenditures	<u>2,740,223</u>	<u>1,328,561</u>	<u>321,797</u>	<u>4,390,581</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,337,804)</u>	<u>(542,021)</u>	<u>(35,512)</u>	<u>(1,915,337)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In (Out)	<u>(24,873)</u>	<u>-</u>	<u>24,873</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(24,873)</u>	<u>-</u>	<u>24,873</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>(1,362,677)</u>	<u>(542,021)</u>	<u>(10,639)</u>	<u>(1,915,337)</u>
FUND BALANCE – BEGINNING	<u>3,814,429</u>	<u>542,021</u>	<u>352,728</u>	<u>4,709,178</u>
FUND BALANCE – ENDING	<u>\$ 2,451,751</u>	<u>\$ -</u>	<u>\$ 342,089</u>	<u>\$ 2,793,841</u>

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, 2014**

Net Changes in Fund Balances – Total Governmental Funds \$ (1,915,337)

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

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:

Conveyed Capital Assets	\$	684,200	
Capital Outlay		105,548	
Depreciation expense – General Fund		(49,919)	
Gain on disposal of capital asset		4,500	
		60,129	60,129
Elimination of transfers between governmental funds:			
Transfers In	\$	24,873	
Transfers Out		(24,873)	
		-	-
Principal payments			2,720,000
Amortization of bond premium			55,351
			2,775,351
Change in Net Position of Governmental Activities	\$		1,604,343

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

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GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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 and operates Youth, Teen, and Active Adult Community Programs, and a community garden. The District also manages HOA Services through a contract.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including the City and County of Denver.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

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

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

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

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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:

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

Interfund Activity

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental 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.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The position 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 reserved 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 \$91,861 from fund balance in compliance with this requirement.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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, 2014, 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, 2014, the District’s cash deposits had a bank balance and a carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured Deposits	<u>\$ 410,227</u>	<u>\$ 363,263</u>

At December 31, 2014, the District also had a petty cash account with a balance of \$361.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk.

Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to three or 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.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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, 2014, 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 \$1.00. 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, 2014, the District had \$2,464,406 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.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in property and equipment for the year ended December 31, 2014 follows:

<u>By Classification</u>	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>
Non-Depreciable				
Land	\$ 530,344	\$ -	\$ -	\$ 530,344
Const. In Progress	40,500	15,974	(40,500)	15,974
Common Areas - Landscaping	5,034,756	684,200	-	5,718,956
Total Non-Depreciable	<u>5,605,600</u>	<u>700,174</u>	<u>(40,500)</u>	<u>6,265,274</u>
Depreciable				
Community Center	257,796	-	-	257,796
Equipment	297,925	-	-	297,925
Vehicles	286,412	29,863	(20,312)	295,963
Land Improvements	-	104,710	-	104,710
Total Depreciable	<u>842,133</u>	<u>134,573</u>	<u>(20,312)</u>	<u>956,394</u>
Less Accumulated Depreciation				
General Fund	(566,201)	(49,919)	20,312	(595,808)
Net Depreciable	<u>275,932</u>	<u>84,654</u>	<u>-</u>	<u>360,586</u>
Net	\$ <u>5,881,532</u>	\$ <u>784,828</u>	\$ <u>(40,500)</u>	\$ <u>6,625,860</u>

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 \$49,919 was charged to General Government functions.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in general long-term obligations for the year ended December 31, 2014:

	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>	<u>Amount Due in One Year</u>
2009 G.O. Refunding Bonds	\$ 2,720,000	\$ -	\$ 2,720,000	\$ -	\$ -

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

General Obligation Refunding Bonds, Series 2009, dated October 06, 2009, were issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof, in the original amount of \$4,305,000 due annually through 2019; with interest rates from 2.00% through 4.00% payable semiannually on June 1 and December 1. The bonds maturing on or before December 1, 2014 were not subject to redemption prior to maturity at the option of the District.

The bonds maturing on or after December 1, 2015 were subject to redemption prior to maturity at the option of the District on December 1, 2014, or on any date thereafter, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium. The principal and interest of these bonds was insured as to repayment by Assured Guaranty.

During 2014, the bonds were fully defeased.

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, 2014, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

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

The continued validity of the remaining debt authorization may be an issue as a result of the November 1992 election which amended Article X, Section 20 of the Constitution of the State of Colorado.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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 1,500 special districts which are members of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2014. 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 \$600,000. 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.

Developer-related entities represent approximately 4.42% of the District's 2014 assessed valuation. Additionally, the owners of the apartment complexes represent approximately 5.09% of the District's 2014 assessed valuation, and other property owners owning more than 0.10% of the District's assessed valuation, represent approximately 5.15%. Owners with less than 0.10% of the District's 2014 assessed valuation equals 85.33%.

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.

**GVR METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014**

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 – AGREEMENTS

Deposits

The District is currently in the process of collecting a deposit from a contractor. The amounts of the deposits are included in current assets and are valued at \$3,500. Management believes the full amount will be refunded; however, it is possible that the amount refunded will be different than the amount held.

This information is an integral part of the accompanying financial statements.

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REQUIRED SUPPLEMENTAL INFORMATION

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GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
Year Ended December 31, 2014

	General Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
System Development Fees	23,870	-	(23,870)
Property Taxes	1,225,116	1,226,237	1,121
Specific Ownership Taxes	120,562	136,025	15,463
Contracts & Grants	-	6	6
Rental Activities	3,750	2,835	(915)
Net Investment Income	5,197	5,434	237
Other Income	-	31,882	31,882
Total Revenues	<u>1,378,495</u>	<u>1,402,419</u>	<u>23,924</u>
EXPENDITURES			
Current			
Personnel Services	664,885	655,268	9,617
Contract Services	147,185	146,571	614
District Operations	52,291	14,328	37,963
Administrative Operations	231,621	173,973	57,648
Common Area Operations	261,270	211,149	50,121
Debt Service Costs	1,496,521	1,497,596	(1,075)
Capital Outlay	384,000	41,338	342,662
Contingency	88,772	-	88,772
Total Expenditures	<u>3,326,545</u>	<u>2,740,223</u>	<u>586,322</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,948,050)</u>	<u>(1,337,804)</u>	<u>610,246</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	<u>(33,215)</u>	<u>(24,873)</u>	<u>8,342</u>
Total Other Financing Sources (Uses)	<u>(33,215)</u>	<u>(24,873)</u>	<u>8,342</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>(1,981,265)</u>	<u>(1,362,677)</u>	<u>618,588</u>
FUND BALANCE – BEGINNING	<u>3,266,877</u>	<u>3,814,429</u>	<u>547,552</u>
FUND BALANCE – ENDING	<u>\$ 1,285,612</u>	<u>\$ 2,451,752</u>	<u>\$ 1,166,140</u>

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OTHER SUPPLEMENTARY INFORMATION

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GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
Year Ended December 31, 2014

	Debt Service Fund		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property Taxes	\$ 784,247	\$ 784,965	\$ 718
Investment Income	3,900	1,575	(2,325)
Total Revenues	788,147	786,540	(1,607)
EXPENDITURES			
Current			
District Operations	7,800	7,856	(56)
Paying Agent Fees	100	100	-
Bond Principal	1,223,479	1,222,405	1,074
Bond Interest	98,200	98,200	-
Total Expenditures	1,329,579	1,328,561	1,018
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(541,432)	(542,021)	(589)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(541,432)	(542,021)	(589)
FUND BALANCE – BEGINNING	226,628	542,021	315,804
FUND BALANCE – ENDING	\$ (314,804)	\$ -	\$ 314,804

**GVR METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
December 31, 2014**

	Community Program Fund	Conservation Trust Fund	HOA Contract Fund	Totals 2014
ASSETS				
Cash and Investments	\$ 4,545	\$ 292,851	\$ 53,975	\$ 351,371
Accounts Receivable (net)	4,230	-	1,539	5,769
Pre-Paid Expenses	2,218	-	-	2,218
Un-Deposited Funds	706	-	-	706
TOTAL ASSETS	11,699	292,851	55,514	360,064
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	-	-	125	125
Credit Cards Payable	1,017	-	1,618	2,635
Payroll Liabilities	4,799	6	4,210	9,015
Escheated Funds	45	-	-	45
Compensated Absence	5,838	-	316	6,154
Total Liabilities	11,699	6	6,269	17,974
FUND BALANCE				
Restricted	-	292,845	-	292,845
Assigned	(2,218)	-	49,245	47,027
Non-spendable	2,218	-	-	2,218
Total Fund Balance	-	292,845	49,245	342,090
TOTAL LIABILITIES AND FUND BALANCE	\$ 11,699	\$ 292,851	\$ 55,514	\$ 360,064

**GVR METROPOLITAN DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2014**

	<u>Community Program Fund</u>	<u>Conservation Trust Fund</u>	<u>HOA Contract Fund</u>	<u>Totals 2014</u>
REVENUE				
Contracts and Grants	\$ -	\$ -	\$ 96,000	\$ 96,000
Conservation Trust Funds	-	77,211	-	77,211
Recreation Programs	112,009	-	-	112,009
Donations	954	-	-	954
Investment Income	-	33	-	33
Other Income	58	-	-	58
Total Revenue	<u>113,021</u>	<u>77,244</u>	<u>96,020</u>	<u>286,285</u>
EXPENDITURES				
Personnel Services	113,904	17,884	55,849	187,637
Contract Services	336	545	1,500	2,381
Administrative Operations	14,921	1,936	26,306	43,163
Common Area Operations	-	15,481	192	15,673
Program Operations	8,733	-	-	8,733
Capital Outlay	-	64,210	-	64,210
Total expenditures	<u>137,894</u>	<u>100,056</u>	<u>83,847</u>	<u>321,797</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(24,873)	(22,812)	12,173	(35,512)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>24,873</u>	-	-	<u>24,873</u>
Total other financing sources	<u>24,873</u>	-	-	<u>24,873</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(22,812)	12,173	(10,639)
FUND BALANCE – BEGINNING	<u>-</u>	<u>315,657</u>	<u>37,071</u>	<u>352,728</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ 292,845</u>	<u>\$ 49,244</u>	<u>342,089</u>

GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COMMUNITY PROGRAM FUND
Year Ended December 31, 2014

	Community Program Fund		
	Final Budget	Actual	Variance- Favorable (Unfavorable)
REVENUE			
Donations	1,500	954	(546)
Recreation Programs	131,040	112,009	(19,031)
Other Income	-	58	58
Total Revenue	<u>132,540</u>	<u>113,021</u>	<u>(19,519)</u>
EXPENDITURES			
Personnel Services	132,187	113,904	18,283
Contract Services	1,113	336	777
Administrative Operations	15,733	14,921	812
Program Operations	16,723	8,733	7,990
Total expenditures	<u>165,756</u>	<u>137,894</u>	<u>27,862</u>
EXCESS OF REVENUE (UNDER) EXPENDITURES	<u>(33,216)</u>	<u>(24,873)</u>	<u>8,343</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (out)	<u>33,216</u>	<u>24,873</u>	<u>(8,343)</u>
Total other financing sources (uses)	<u>33,216</u>	<u>24,873</u>	<u>(8,343)</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-
FUND BALANCE – BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CONSERVATION TRUST FUND
Year Ended December 31, 2014

	Conservation Trust Fund		
	Original and Final Budget	Actual	Variance- Favorable (Unfavorable)
REVENUE			
Conservation Trust Funds	80,000	77,211	(2,789)
Net Investment Income	35	33	(2)
Total Revenue	<u>80,035</u>	<u>77,244</u>	<u>(2,791)</u>
EXPENDITURES			
Personnel Services	24,614	17,884	6,730
Contract Services	7,500	545	6,955
Administrative Operations	3,300	1,936	1,364
Common Area Operations	75,150	15,481	59,669
Capital Outlay	45,000	64,210	(19,210)
Contingency	3,072	-	3,072
Total expenditures	<u>158,636</u>	<u>100,056</u>	<u>58,580</u>
EXCESS OF REVENUE (UNDER) EXPENDITURES	(78,601)	(22,812)	55,789
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(78,601)	(22,812)	55,789
FUND BALANCE – BEGINNING	<u>112,159</u>	<u>315,657</u>	<u>203,498</u>
FUND BALANCE – ENDING	<u>\$ 33,558</u>	<u>\$ 292,845</u>	<u>\$ 259,287</u>

**GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – HOA CONTRACT FUND
Year Ended December 31, 2014**

	HOA Contract Fund		
	Original and Final Budget	Actual	Variance- Favorable (Unfavorable)
REVENUE			
Contracts & Grants	\$ 96,000	\$ 96,000	\$ -
Other Income	-	20	20
Total Revenue	<u>96,000</u>	<u>96,020</u>	<u>20</u>
EXPENDITURES			
Personnel Services	75,286	55,849	19,437
Contract Services	1,500	1,500	-
Administrative Operations	25,895	26,306	(411)
Common Area Operations	-	192	(192)
Total expenditures	<u>102,681</u>	<u>83,847</u>	<u>18,834</u>
EXCESS OF REVENUE (UNDER) EXPENDITURES	<u>(6,681)</u>	<u>12,173</u>	<u>18,854</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(6,681)</u>	<u>12,173</u>	<u>18,854</u>
FUND BALANCE – BEGINNING	<u>20,485</u>	<u>37,071</u>	<u>16,586</u>
FUND BALANCE – ENDING	<u>\$ 13,804</u>	<u>\$ 49,244</u>	<u>\$ 35,440</u>

**GVR METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED
December 31, 2014**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation For Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2006	\$ 88,139,590	8.344	15.950	\$ 2,141,263	\$ 2,139,729	99.93%
2007	\$ 95,381,820	8.344	15.950	\$ 2,317,206	\$ 2,307,119	99.56%
2008	\$ 83,820,810	14.324	15.950	\$ 2,537,610	\$ 2,535,329	99.91%
2009	\$ 84,966,140	17.509	12.765	\$ 2,572,265	\$ 2,564,488	99.70%
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%
Estimated for the year Ending December 31, 2015	\$ 61,464,870	20.094	-	\$ 1,235,075		

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.

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ANNUAL FINANCIAL INFORMATION

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**GVR METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
December 31, 2014**

AD VALOREM PROPERTY TAX DATA

A five 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

<u>Levy Year/ Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Increase (Decrease)</u>	<u>Total Mill Levy</u>
2006/2007	\$ 95,381,820	8.22%	24.294
2007/2008	\$ 83,820,810	(12.12%)	30.274
2008/2009	\$ 84,966,140	1.37%	30.274
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%	32.957

The following table sets forth the 2014 assessed valuation of specific classes of property within the District:

ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT

<u>Class</u>	<u>2014 Assessed Valuation</u>	<u>Percent of 2014 Assessed Valuation</u>
Residential	\$ 55,558,810	90.39%
Vacant	100,440	0.16%
Commercial	4,208,530	6.85%
State assessed	1,597,090	2.60%
Total	<u>\$ 61,464,870</u>	<u>100.00 %</u>

**GVR METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION (CONTINUED)
December 31, 2014**

LARGEST DISTRICT TAXPAYERS

The following table presents the taxpayers within the District owning in excess of 0.10% of the District's assessed valuation, as of the District's 2014 certified assessed valuation. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have aggregate assessed value in excess of those set forth in the following table. Furthermore, the taxpayers shown in the table may own additional parcels within the District not included herein.

No independent investigation has been made of the following taxpayer listing, and consequently, there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers, based on the assessed valuation of their property, in the District:

<u>Taxpayers</u>	<u>2014 Assessed Valuation</u>	<u>Percent of Total</u>
Nals Redstone-93LP	3,131,380	5.09%
Tower Commons LLC	1,928,700	3.14%
VPG Two LLC	1,052,040	1.71%
American Homes 4 Rent	841,260	1.37%
Green Valley Ranch Shoppette	503,590	0.82%
TCF National Bank	374,650	0.61%
Colfin AI-CO 1 LLC	154,550	0.25%
HC Land Investments LLC	147,090	0.24%
C & H Ranch Company LLC	139,720	0.23%
CAH 2014-1 Borrower LLC	136,680	0.22%
Inverclyde LLC	122,680	0.20%
PKK Investments LLC	90,560	0.15%
CAH 2014-2 Borrower LLC	88,740	0.14%
ELCA Loan Fund	87,200	0.14%
SRP Sub LLC	83,290	0.14%
Corporation of the Presiding	74,330	0.12%
Colfin AH-Colorado 2 LLC	60,730	0.10%
Total	\$ <u>9,017,190</u>	<u>14.67%</u>

Percentages are based upon the District's 2014 assessed valuation of \$61,464,870.