GVR METROPOLITAN DISTRICT
Denver County, Colorado

FINANCIAL STATEMENTS
December 31, 2008

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the GVR Metropolitan District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2008.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $5,362,314. The assets may appear to be understated due to the transfer of capital assets to another local government after construction while the District retains the debt used for construction.
- The addition in the government's total net assets increased by $4,060,895. This increase can be attributed to an agreement entered into with Oakwood Homes (Developer) to transfer common properties to the District.
- As of the close of the current fiscal year, the District's General Fund reported an ending fund balance of $6,765,045, a decrease of $415,428 in comparison with the prior year. Of this total amount, $6,690,727 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 basic financial statements. The District's basic 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 basic 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 Assets 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 assets. 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 Assets 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 assets 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 assets 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 Assets
For the Year Ending December 31, 2008

		2008	2007
Current and other assets	$	10,027,221	11,049,807
Capital Assets		6,909,830	3,133,270
Total Assets		16,937,051	14,183,077
Long-term liabilities outstanding		8,170,000	8,770,000
Other liabilities		3,404,737	4,111,658
Total liabilities		11,574,737	12,881,658
Net Assets:			
Invested in Capital		(1,860,170)	(5,636,730)
Restricted		531,757	450,759
Unrestricted		6,690,727	6,487,390
Total Net Assets	$	5,362,314	1,301,419

The restricted portion of the net assets represents cash and cash equivalents reserved for emergencies in the General Fund, for the repayment of debt in the Debt Service Fund and for Conservation Trust Funds. The long term debt is to be repaid through the levying of property tax during the life of the bonds. 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 Assets
For the Year Ended December 31, 2008

		2008		2007
Revenues:				
General Revenues				
Taxes & System Development Fees	$	2,720,734	$	2,514,196
Interest Earnings & Other Income		3,704,710		635,645
Total Revenues		6,425,444		3,149,841
Expenses:				
General Government & Programs		1,850,639		3,575,748
Debt Service		513,910		540,860
Total Expenses		2,364,549		4,116,608
Change in Net Assets		4,060,895		(966,767)
Net Assets – Beginning of Year		1,301,419		2,268,186
Net Assets – End of Year	$	5,362,314	$	1,301,419

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Activities and Changes in Net Assets provides answers concerning the nature and source of these changes. As can be seen by the table above, the net assets increased by $4,060,895 to $5,362,314 in 2008.

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 12 through 25 of this report.

General Fund Budgetary Highlights

Expenditures and revenues were received and spent as budgeted during 2008. The only significant variances were investment income rates lower than anticipated, contract services with the Master Homeowners Association for Green Valley Ranch to provide landscape maintenance services, and the delay in construction for the new community center. The budgeted emergency and contingency funds were not required to be used. This resulted in an excess of revenues under expenditures of $557,432 before the transfer out of $91,530 to the Community Program Fund and a transfer in from the Debt Service Fund of $233,534. After the transfer out and transfer in, the General Fund had an excess of revenues under expenditures and other uses of funds of $415,428.

Capital Assets and Debt Administration

Capital assets: The District's investment in capital assets as of December 31, 2008 amounts to $6,709,830 (net of accumulated depreciation). The major assets owned by the District are common areas. The District owns one building, the Administration Building, which is located within the District. 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 total debt outstanding of $8,770,000. All of this debt is backed by the full faith and credit of the District. The District issued General Obligation Refunding Bonds dated December 15, 1999, which includes serial and term bonds. 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 may exceed the national average, other economic trends in the region compare favorably to national indices (Colorado unemployment rate was 5% while the national rate was 5.8%, etc.). The assessed valuation of the District decreased slightly and was partially offset by continued residential development. Property tax remains the primary source of revenue for the District. The 2009 Budget was adopted December 3, 2008 and was amended January 27, 2009. There was no change in service levels in the GVR Metropolitan District's 2009 Budget as adopted. As permitted by state statue, the District entered into a yearly management agreement with the Association effective for January 1, 2008 to pay for the expenses to provide these services. These services will be performed by District staff and independent contractors. The mill levy revenue and expense budget to fund these services was included in the overall budget approved on December 3, 2008.

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.

THIS PAGE LEFT BLANK INTENTIONALLY

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

Report of Independent Certified Public Accountants

To the Board of Directors
GVR Metropolitan District

We have audited the accompanying financial statements of the governmental activities and the major funds of GVR Metropolitan District as of December 31, 2008, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 and in accordance with the Colorado Local Government Audit Law. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of GVR Metropolitan District as of December 31, 2008 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages i-iii and Schedule of Revenues and Expenditures—Budget and Actual—General Fund are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We were not engaged to examine the secondary market financial information included as listed in the Table of Contents and, accordingly, we do not express an opinion thereon.

Haynie & Co

Littleton, Colorado
August 19, 2009

IGAF Worldwide
An Association of Independent Firms

Associate Office At
1785 West Printers Row
Salt Lake City, UT 84110
(801) 972-4800
Fax (801) 972-8941

Associate Office At
5974 South Fashion Pointe Dr., Suite 200
South Ogden, UT 84403
(801) 479-4800
Fax (801) 479-8941

Associate Office At
4910 Campus Drive
Newport Beach, CA 92660
(949) 724-1880
Fax (949) 724-1889

THIS PAGE LEFT BLANK INTENTIONALLY

GENERAL PURPOSE FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

GVR METROPOLITAN DISTRICT
STATEMENT OF NET ASSETS
December 31, 2008

		Governmental Activities
ASSETS		
Current Assets:		
Cash Deposits and Investments (Note 3)	$	7,412,682
Receivable From County Treasurer		15,540
Property Taxes Receivable		2,572,265
Accounts Receivable		3,384
Pre-Paid Expenses		23,310
Un-deposited Funds		40
Total Current Assets		10,027,221
CAPITAL ASSETS		
Depreciable Capital Assets, Net (Note 4)		6,909,830
Total Assets		16,937,051
LIABILITIES		
Current Liabilities:		
Accounts Payable		232,472
Deferred Property Tax Revenue		2,572,265
Bonds Payable, Current (Note 5)		600,000
Total Current Liabilities		3,404,737
LONG TERM LIABILITIES		
Bonds Payable (Note 5)		8,170,000
Total Liabilities		11,574,737
NET ASSETS		
Investment in Capital Assets, Net of Related Debt		(1,860,170)
Restricted for:		
Debt Service		181,849
Conservation Trust Fund		275,590
Emergency Reserve		74,318
Unrestricted		6,690,727
Total Net Assets	$	5,362,314

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, 2008

		Program Revenue		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Primary Government				
General Government	$ 1,647,810	$ -	$ -	$ 3,136,553
Community Programs	202,829	139,741	-	-
Interest	513,910	-	-	-
Total Governmental Activities	$ 2,364,549	$ 139,741	$ -	$ 3,136,553
General Revenues				
Property Taxes				
Specific Ownership Taxes				
Investment Incomes				
Others				
Total General Revenues				
Change in Net Assets				
Net Assets Beginning of Year				
Net Assets End of Year				

GVR METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES (continued)
For the Year Ended December 31, 2008

Net (Expense) Revenues and Changes in Net Assets
Governmental Activities
$ 1,488,743
(63,088)
(513,910)
$ 911,745
2,535,329
185,404
189,539
238,878
3,149,150
4,060,895
1,301,419
$ 5,362,314

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, 2008

	Governmental Fund Types			
	General Fund	Debt Service Fund	Non Major Governmental Funds	2008
ASSETS				
Cash and Investments	$ 6,924,755	$ 181,214	$ 306,713	$ 7,412,682
Receivable from County Treasurer	14,905	635	-	15,540
Property taxes receivable	1,487,672	1,084,593	-	2,572,265
Accounts Receivable (net)	149	-	3,235	3,384
Pre-Paid Expenses	23,201	-	109	23,310
Un-deposited Funds	-	-	40	40
TOTAL ASSETS	8,450,682	1,266,442	310,097	10,027,221
LIABILITIES AND EQUITY				
LIABILITIES				
Accounts Payable	197,965	-	34,507	232,472
Deferred Property Tax Revenue	1,487,672	1,084,593	-	2,572,265
Total Liabilities	1,685,637	1,084,593	34,507	2,804,737
EQUITY				
Reserved for Debt Service	3,048,438	181,849	-	3,230,287
Reserved for Capital Construction	2,500,000	-	-	2,500,000
Reserved for Conservation Trust Fund	-	-	275,590	275,590
Emergency Reserve	74,318	-	-	74,318
Unreserved – Undesignated	1,142,289	-	-	1,142,289
Total Equity	6,765,045	181,849	275,590	7,222,484
TOTAL LIABILITIES AND EQUITY	$ 8,450,682	$ 1,266,442	$ 310,097	$ 10,027,221

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 ASSETS
December 31, 2008

Total Governmental Fund Balances			$	7,222,484
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense:				
Cost of capital assets	$	7,190,313		
Less accumulated depreciation – General Fund	$	(280,483)		
				6,909,830
Liabilities, including amounts for retirement of assets are not due in the current period and therefore are not reported in the governmental fund:				
Bonds Payable				(8,770,000)
Net Assets of Governmental Activities			$	5,362,314

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, 2008

	Governmental Fund Types			
	General Fund	Debt Service Fund	Non Major Governmental Funds	2008
REVENUES				
Property Taxes	$ 1,199,579	$ 1,335,750	$ -	$ 2,535,329
Specific Ownership Taxes	185,404	-	-	185,404
Net Investment Income	93,256	95,987	296	189,539
Other Income	238,758	-	120	238,878
Youth Program Fees	-	-	72,542	72,542
Lottery Proceeds	-	-	67,199	67,199
Total Revenues	1,716,997	1,431,737	140,157	3,288,891
EXPENDITURES				
Current				
Personal Services	543,273	-	97,705	640,978
Professional Services	352,611	-	1,751	354,362
Landscape Contract Services	141,363	-	27,459	168,822
County Treasurer's Fees & Election Costs	34,581	13,388	-	47,969
Community Center Operations	274,003	-	62,451	336,454
Landscape Maintenance & Improvement	126,128	-	4,467	130,595
Landscape Utility Service	99,230	-	-	99,230
Community Program	179	-	8,996	9,175
Debt Service	-	1,093,910	-	1,093,910
Capital Outlay	712,891	-	-	712,891
Distribution to the City	(9,830)	-	-	(9,830)
Total Expenditures	2,274,429	1,107,298	202,829	3,584,556
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(557,432)	324,439	(62,672)	(295,665)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In (Out)	142,004	(233,534)	91,530	-
Total Other Financing Sources (Uses)	142,004	(233,534)	91,530	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(415,428)	90,905	28,858	(295,665)
FUND BALANCE – BEGINNING OF YEAR	7,180,473	90,944	246,732	7,518,149
FUND BALANCE – END OF YEAR	$ 6,765,045	$ 181,849	$ 275,590	$ 7,222,484

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, 2008

Net Changes in Fund Balances – Total Governmental Funds		$ (295,665)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those capital outlays is capitalized and the assets allocated over their useful lives as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period:		
Capital outlay	$ 3,839,444	
Depreciation expense – General Fund	(62,884)	
		3,776,560
Elimination of transfers between governmental funds:		
Transfers In	$ 233,534	
Transfers Out	(233,534)	
		-
Repayment of long-term bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		580,000
Change in Net Assets of Governmental Activities		$ 4,060,895

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

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 a Youth Community Program.

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 basic financial statements consist of government-wide statements, including a statement of net assets 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 assets 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 which report fees 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:

> <u>General Fund</u> – 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 two Special Revenue funds – Community Program Fund and Conservation Trust 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets. 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 deferred revenue, and in the presentation of expenses versus expenditures.

Property

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

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

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 assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

During the year ended December 31, 2008, there were no supplementary appropriations approved by the District.

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

Pooled Cash
The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Net investment income is allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Property Taxes
Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes, net of estimated uncollectible taxes, are levied in December for the next calendar year's operations, and recorded as taxes receivable and deferred revenue. The deferred property tax revenue is recorded as revenue in the year they are available or collected.

Fund Equity
Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Generally, fund balance represents the difference between the current assets and current liabilities. The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of the fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services. Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The reserved for debt service represents amounts accumulated by the District for payment of general obligation bond principal, interest and related costs.

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 fund balance of $74,318 has been reserved in compliance with this requirement.

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, 2008, 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, 2008, the District's cash deposits had a bank balance and a carrying balance as follows:

	Bank Balance	Carrying Balance
Insured Deposits	$ 911,333	$ 889,723

Investments

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

Investments are recorded at fair value. Investments in local government investment pools are not categorized because they are not evidenced by securities that exist in physical or book entry from.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

COLOTRUST
As of December 31, 2008, 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 officers 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, 2008, the District had $2,765,919 invested in COLOTRUST PRIME and $3,756,590 invested in COLOTRUST PLUS+.

Total cash and investment amounted to $6,522,509 as of December 31, 2008.

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 AAA from Standard and Poor's, Fitch and Moody's.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in property and equipment for the year ended December 31, 2008 follows:

By Classification	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008
Non-Depreciable				
Land	$ 530,344	$ -	$ -	$ 530,344
Construction in Progress	539,922	-	-	539,922
Common Areas - Landscaping	1,658,805	3,136,553	-	4,795,358
Total Non-Depreciable	2,729,071	3,136,553	-	5,865,624
Depreciable				
Community Center	252,065	629,683	-	881,748
Equipment	166,063	-	-	166,063
Vehicles	203,669	83,208	10,000	276,877
Total Depreciable	621,797	712,891	10,000	1,324,688
Less Accumulated Depreciation				
General Fund	(217,598)	(68,597)	5,713	(280,482)
Net Depreciable	404,199	644,294	4,287	1,044,206
Net	$ 3,133,270	$ 3,780,847	$ 4,287	$ 6,909,830

Common areas include real property, including all associated features located on such property, within GVR Metropolitan District for which the district provides perpetual 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 $68,597 was charged to General Government functions.

The Community Center project was put on hold during 2008. The planning committee will be addressing the community's desires for the future of the project. The amount put into the project work done to date is $1,050,710.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in general long-term obligations for the year ended December 31, 2008:

	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008	Amount Due in One Year
1999 G.O. Refunding Bonds	$ 9,350,000	$ -	$580,000	$ 8,770,000	$ 600,000

The District's long-term obligations will mature as follows:

Year of Maturity	Principal	Interest	Total
2009	600,000	484,620	1,084,620
2010	640,000	454,020	1,094,020
2011	665,000	420,740	1,085,740
2012	705,000	385,827	1,090,827
2013	745,000	348,462	1,093,462
2014	785,000	308,418	1,093,418
2015	825,000	266,225	1,091,225
2016	875,000	218,787	1,093,787
2017-2019	2,930,000	342,987	3,272,987
	$ 8,770,000	$ 3,230,086	$ 12,000,086

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

General Obligation Refunding Bonds, Series 1999, dated December 15, 1999, include serial bonds in the original amount of $7,005,000 due annually through 2012; with interest rates from 4.05% through 5.30% payable semiannually on June 1 and December 1 and term bonds in the original amounts of $1,530,000 and $4,630,000 due December 1, 2014 and December 1, 2019 respectively, at 5.375% and 5.750%, respectively. Such term bonds are subject to mandatory redemption. The bonds maturing on or before December 1, 2009 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or after December 1, 2010 are subject to redemption prior to maturity at the option of the District on December 1, 2009, or on any date thereafter, with no redemption premium. The principal and interest of these bonds are insured as to repayment by Ambac Assurance Corporation.

NOTE 5 –LONG-TERM OBLIGATIONS (CONTINUED)

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, 2008, 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

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.

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 1,136 special districts which are members of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2008. 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 $1,000,000. 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.

NOTE 6 – RISK MANAGEMENT (CONTINUED)

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.

A summary of the most current information available of audited financial information for the Pool as of and for the year ended December 31, 2008 is as follows:

Assets	$	27,093,162
Liabilities		10,778,248
Capital and surplus		16,314,914
		27,093,162
Revenue		9,960,770
Underwriting expenses		8,175,165
Underwriting gain		1,785,605
Other income		800,122
Dividend		
Net income	$	2,585,727

There is no current or long-term debt outstanding; the above liabilities represent incurred claims and an estimated liability for incurred but not reported claims as of December 31, 2008.

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 current major builder/developer within the District, Oakwood Homes, LLC (Developer) and commercial properties building in the District.

Developer-related entities represent approximately 4.33% of the District's 2008 assessed valuation. Additionally, the owners of the apartment complexes represent approximately 1.44% of the District's 2008 assessed valuation, and other property owners owning more than 0.10% of the District's assessed valuation, represent approximately 5.56%. Owners with less than 0.10% of the District's 2008 assessed valuation equals 94.44%.

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.

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 May 2, 2000, 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. The election question reads as follows:

> "Shall GVR Metropolitan District taxes be increased $178,100 annually, or by such amount as may be raised by the imposition of an additional ad valorem property tax rate of 5.000 mills, commencing January 1, 2000, and continuing thereafter, for general operation purposes, resulting in a total District mill levy rate exclusive of debt service obligations, refunds or abatements, not to exceed 8.344 mills; and shall the District be authorized to collect, retain and spend all tax revenue collected from such property tax rate of 8.344 mills, and all other revenue received for any source commencing January 1, 2000, and continuing thereafter, as a voter approved revenue change, offset and exception to the limit which would otherwise apply under TABOR (Article X, Section 20 of the Colorado Constitution) or any other law and as a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.?"

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. The election question reads as follows:

> "Shall GVR Metropolitan District taxes be increased $1,120,736 in the 2008 fiscal year, or by such amount as may be raised by the imposition of an additional ad valorem property tax rate of up to 11.750 mills for general operating purposes, resulting in a total District operating mill levy rate of 20.094 mills in fiscal year 2008 and in any fiscal year thereafter, provided that the District's total mill levy rate of 20.094 mills be adjusted by the Board of Directors to take into

account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after January 1, 2007 so that, to the extent possible, the actual revenues generated by such mill levy are neither diminished nor enhanced as a result of such changes; and further provided that, subject to the foregoing mill levy rate provisions, such mill levy rate may be adjusted in any fiscal year downwards or upwards by the Board of Directors in its discretion; such increases intended to be used in part to offset the expense of maintaining the Master Association of Green Valley Ranch, its community properties and functions, all of which upon passage of this ballot issue, shall be transferred to the GVR Metropolitan District; and shall the proceeds of such increased portion of the operating mill levy rate, and investment income thereon be collected and spent by the District as a voter-approved revenue change in 2008 and in each fiscal year thereafter as an exception to any spending, revenue-raising or other limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution, Section 29-1-301, C.R.S., or any other law?"

NOTE 9 – AGREEMENTS

Infrastructure Construction and SDF Credit Agreement

In 2007, the District and Oakwood Homes (Developer) agreed to establish a settlement amount that finalized the amounts of SDF payments from Oakwood Homes, construction cost reimbursements from the District, transfer of park and open space properties to the District and termination of the July 8, 1997 Infrastructure Construction and SDF Credit Agreement. The agreed upon net settlement amount was a payment from the District to Oakwood Homes in the amount of $850,000. On May 21, 2008, the District approved Resolution No. 05-21-08, A Resolution Affecting the Application of District Policies Relating to System Development Charges, to exclude Oakwood Homes from any future residential SDF payments. The Resolution did not change any other provisions or SDF payment requirements for residential development by other developers or any commercial development.

Water Capacity Participation Agreement

The District entered into a participation agreement with Denver Water Department (Denver) on September 25, 1998, whereby Denver made available to the District and others in the general area, 1,820 equivalent water taps in Conduit 74, Phases IVA and IVB. Denver collects a $1,289 surcharge from the builders when they purchase a Denver water tap utilizing Conduit 74 Phase IVA and/or Phase IVB water. If, after 15 years, all 1,820 taps have not been purchased by the District or others, the District shall purchase the then remaining taps at the then current tap charge. However, as of December 31, 2004, none of these taps were remaining.

NOTE 10 – SUBSEQUENT EVENTS

Cancelation of HOA Contract

In 2008, the Master Homeowners Association for Green Valley Ranch filed an injunction to prevent the District from filing the mill levy. This was to create more funding for the HOA Operations. In 2009, The HOA then filed a lawsuit stating that the District was in breach of the contract and seeking contract termination. This resulted in the cancelation of the contract through a settlement agreement dated July 10, 2009. This included a payment from the District in the amount of $56,398.21 for the amount of accounts receivable that had been collected in 2009. The settlement also included a 2005 Mercury that had a value $8,000 (trade in value per Edmunds.com).

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTAL INFORMATION

THIS PAGE LEFT BLANK INTENTIONALLY

GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURESAND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
Year Ended December 31, 2008

	General Fund		
	Original and Final Budget	**Actual**	**Variance Favorable (Unfavorable)**
REVENUES			
System Development Fees	$ -	$ -	$ -
Property Taxes	1,200,649	1,199,579	(1,070)
Specific Ownership Taxes	126,880	185,404	58,524
Net Investment Income	197,500	93,256	(104,244)
Other Income	333,039	238,758	(94,281)
Total Revenues	1,858,068	1,716,997	(141,071)
EXPENDITURES			
Current			
Personal Services	606,258	543,273	62,985
Professional Services	165,538	352,611	(187,073)
County Treasurer's Fees & Election Costs	32,000	34,581	(2,581)
Community Center Operations	669,701	274,182	395,519
Landscape Contract Services	176,780	141,363	35,417
Landscape Maintenance & Improvement	327,700	126,128	201,572
Landscape Utility Service	219,927	99,230	120,697
Capital Outlay	3,919,748	712,891	3,206,857
Distribution to the City	-	(9,830)	9,830
Total Expenditures	6,117,652	2,274,429	3,843,223
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(4,259,584)	(557,432)	3,702,152
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	(2,055,225)	142,004	2,197,229
Total Other Financing Sources (Uses)	(2,055,225)	142,004	2,197,229
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(6,314,809)	(415,428)	5,899,381
FUND BALANCE – BEGINNING OF YEAR	1,246,686	7,180,473	5,933,787
FUND BALANCE – END OR YEAR	$ (5,068,123)	$ 6,765,045	$ 11,833,168

OTHER SUPPLEMENTARY INFORMATION

GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURESAND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
Year Ended December 31, 2008

	Debt Service Fund		
	Original Budget	**Actual**	**Variance Favorable (Unfavorable)**
REVENUES			
Property Taxes	$ 1,336,942	$ 1,335,750	$ (1,192)
Investment Income	2,600	95,987	93,387
Total Revenues	1,339,542	1,431,737	92,195
EXPENDITURES			
Current			
County Treasurer's Fees	13,000	13,388	(388)
Paying Agent Fees	1,000	-	1,000
Bond Principal	580,000	580,000	-
Bond Interest	513,910	513,910	-
Contingency	23,142	-	23,142
Total Expenditures	1,131,052	1,107,298	23,754
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	208,490	324,439	115,949
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	(205,058)	(233,534)	(28,476)
Total Other Financing Sources (Uses)	(205,058)	(233,534)	(28,476)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	3,432	90,905	87,473
FUND BALANCE – BEGINNING OF YEAR	87,728	90,944	3,216
FUND BALANCE – END OR YEAR	$ 91,160	$ 181,849	$ 90,689

GVR METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
December 31, 2008

	Community Program Fund	Conservation Trust Fund	Totals 2008
ASSETS			
Cash and Investments	$ 3,664	$ 303,049	$ 306,713
Accounts Receivable (net)	3,235	-	3,235
Pre-Paid Expenses	109	-	109
Un-deposited Funds	40	-	40
TOTAL ASSETS	7,048	303,049	310,097
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	7,048	27,459	34,507
Total Liabilities	7,048	27,459	34,507
FUND BALANCE			
Reserved	-	275,590	275,590
Total Fund Balance	-	275,590	275,590
TOTAL LIABILITIES AND FUND BALANCE	$ 7,048	$ 303,049	$ 310,097

GVR METROPOLITAN DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2008

	Community Program Fund	Conservation Trust Fund	Totals 2008
REVENUE			
Net investment income	$ -	$ 296	$ 296
Community program fees	72,542	-	72,542
Other Income	120	-	120
Lottery proceeds	-	67,199	67,199
Total Revenue	72,662	67,495	140,157
EXPENDITURES			
Personal Services	97,705	-	97,705
Professional Services	1,751	-	1,751
Community Center Operations	55,740	6,711	62,451
Landscape Maintenance & Improvements	-	31,926	31,926
Community Programs	8,996	-	8,996
Total expenditures	164,192	38,637	202,829
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(91,530)	28,858	(62,672)
OTHER FINANCING SOURCES			
Operating Transfers In	91,530	-	91,530
Total other financing sources	91,530	-	91,530
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	28,858	28,858
FUND BALANCE – BEGINNING OF YEAR	-	246,732	246,732
FUND BALANCE – END OF YEAR	$ -	$ 275,590	$ 275,590

GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COMMUNITY PROGRAM FUND
Year Ended December 31, 2008

	Community Program Fund		
	Original Budget	**Actual**	**Variance- Favorable (Unfavorable)**
REVENUE			
Net investment income	$ 1	$ -	$ (1)
Community Program fees	163,017	72,542	(90,475)
Other Income	-	120	120
Total Revenue	163,018	72,662	(90,356)
EXPENDITURES			
Personal Services	141,443	97,705	43,738
Professional Services	5,870	1,751	4,119
Community Center Operations	6,795	55,740	(48,945)
Community Programs	86,131	8,996	77,135
Total expenditures	240,239	164,192	76,047
EXCESS OF REVENUE (UNDER) EXPENDITURES	(77,221)	(91,530)	(14,309)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	77,221	91,530	14,309
Total other financing sources (uses)	77,221	91,530	14,309
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-
FUND BALANCE – BEGINNING OF YEAR	-	-	-
FUND BALANCE – END OF YEAR	$ -	$ -	$ -

GVR METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – CONSERVATION TRUST FUND
Year Ended December 31, 2008

	Conservation Trust Fund		
	Original Budget	**Actual**	**Variance- Favorable (Unfavorable)**
REVENUE			
Net investment income	$ 5,700	$ 296	$ (5,404)
Grants/Contracts	178,800	-	(178,800)
Lottery Proceeds	66,000	67,199	1,199
Total Revenue	250,500	67,495	(183,005)
EXPENDITURES			
Community Center Operations	20,000	6,711	13,289
Landscape Maintenance and Improvements	217,800	31,926	185,874
Contingency	24,817	-	24,817
Total expenditures	262,617	38,637	223,980
EXCESS OF REVENUE (UNDER) EXPENDITURES	(12,117)	28,858	40,975
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (out)	(100,000)	-	100,000
Total other financing sources (uses)	(100,000)	-	100,000
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(112,117)	28,858	140,975
FUND BALANCE – BEGINNING OF YEAR	189,817	246,732	56,915
FUND BALANCE – END OF YEAR	$ 77,700	$ 275,590	$ 197,890

GVR METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2008

Maturing in the Year Ending December 31,	$13,165,000 General Obligation Refunding Bonds, Series 1999, Dated December 15, 1999 Interest Rate from 4.05% to 5.75% Due June 1 and December 1 Principal Due December 1 Principal	Interest	Total
2009	600,000	484,620	1,084,620
2010	640,000	454,020	1,094,020
2011	665,000	420,740	1,085,740
2012	705,000	385,827	1,090,827
2013	745,000	348,462	1,093,462
2014	785,000	308,418	1,093,418
2015	825,000	266,225	1,091,225
2016	875,000	218,787	1,093,787
2017	925,000	168,475	1,093,475
2018	975,000	115,287	1,090,287
2019	1,030,000	59,225	1,089,225
	$ 8,770,000	$ 3,230,086	$ 12,000,086

GVR METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2008

Year Ended December 31,	Prior Year Assessed Valuation For Current Year Property Tax Levy	Mills Levied General	Mills Levied Debt Service	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2002	$ 56,643,200	8.344	21.927	$ 1,714,646	$ 1,715,382	100.04%
2003	$ 67,561,550	8.344	21.927	$ 2,045,156	$ 1,978,354	96.73%
2004	$ 75,737,600	8.344	18.617	$ 2,041,963	$ 2,016,657	98.76%
2005	$ 78,869,080	8.344	18.617	$ 2,126,389	$ 2,127,175	100.04%
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	99.57%
Estimated for the year ending December 31, 2009	$ 84,966,140	17.509	12.765	$ 2,572,265		

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.

THIS PAGE LEFT BLANK INTENTIONALLY

CONTINUING DISCLOSURE

ANNUAL FINANCIAL INFORMATION

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

Levy Year/ Collection Year		Assessed Valuation	Percent Increase (Decrease)	Total Mill Levy
2003/2004	$	75,737,660	12.10%	26.961
2004/2005	$	78,869,080	4.13%	26.961
2005/2006	$	88,139,590	11.75%	24.294
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

The following table sets forth the 2008 assessed valuation of specific classes of property within the District:

ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT

Class		2008 Assessed Valuation	Percent of 2007 Assessed Valuation
Residential	$	76,792,130	90.38 %
Vacant		743,600	.87 %
Commercial		3,481,820	4.10 %
State assessed		3,948,590	4.65 %
Total	$	84,966,140	100.00 %

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 2008 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:

Taxpayers		2008 Assessed Valuation	Percent of Total
Tower Commons LLC	$	1,461,030	1.720 %
Denver Leased Housing		1,403,710	1.652 %
Orchard Crossing III LP		1,226,800	1.444 %
Tower 48 Associates I LP		1,223,010	1.439 %
Green Valley Ranch Shoppette		655,460	0.771 %
TCF National Bank		474,730	0.559 %
HUD		465,560	0.548%
C & H Ranch Company LLC		363,730	0.428 %
Colorado Land Holdings LLC		300,550	0.354 %
Deutsche Bank National Trust		297,710	0.350 %
VPG Two LLC		278,750	0.328 %
HC Land Investments LLC		241,290	0.285 %
US Bank National Association		240,880	0.284 %
HC Development & Management		213,430	0.251 %
Oakwood Homes LLC		181,690	0.214 %
Federal National Mortgage		160,110	0.188 %
Federal Home Loan Mortgage		142,710	0.168 %
Bank of New York		106,110	0.125%
ELCA Loan Fund		94,980	0.112%
HSBC Mortgage Services Inc		90,000	0.106 %
Total	$	9,622,240	11.326 %

Percentages are based upon the District's 2008 assessed valuation of $84,966,140.

SELECTED DEBT RATIOS

The following table sets forth ratios of direct debt of the District and overlapping debt within the District (only for those entities which currently pay their general obligation debt through a mill levy assessed against property within the District) to assessed valuation and statutory actual value of the District:

Direct debt	$	8,770,000	
Overlapping debt		9,766,773	(1)
Total direct debt and overlapping debt	$	18,536,773	
2008 District assessed valuation	$	84,966,140	
Direct debt to 2008 assessed valuation		10.32 %	
Direct debt plus overlapping debt to 2008 assessed valuation		21.82 %	
2008 District statutory actual value	$	992,911,493	(2)
Direct debt to 2008 statutory actual value		.88 %	
Direct debt plus overlapping debt to 2008 statutory actual value		1.87 %	

(1) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt.

(2) This figure has been calculated using a statutory formula under which assessed valuation is calculated at 7.96% of the statutory "actual" value of residential property in the District and 29% of the statutory "actual" value of other property within the District (with certain specified exceptions). Statutory "actual" value is not intended to represent market value.