



GVR METROPOLITAN DISTRICT
Denver County, Colorado

FINANCIAL STATEMENTS
December 31, 2005

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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, 2005.

Financial Highlights

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year by \$759,342. This is an on-going state due to the transfer of capital assets to another local government after construction while the District retains the debt used for construction.
- The deficit in the government's total net assets decreased by \$1,680,135. This decrease can be attributed to tax collections and interest earnings exceeding scheduled debt service payments and operational costs.
- As of the close of the current fiscal year, the District's General Fund reported an ending fund balance of \$7,274,803, an increase of \$2,585,723 in comparison with the prior year. Of this total amount, \$2,420,754 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 column focuses on short-term available resources and is reported on a modified accrual basis. The Statement of Activities column focuses on long-term economic resources and is reported on a full accrual basis.

