

Pleasant View Metropolitan District

Financial Statements December 31, 2016



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**Pleasant View Metropolitan District
Financial Report
December 31, 2016**

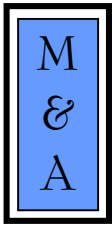
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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Pleasant View Metropolitan District
Golden, Colorado**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pleasant View Metropolitan District (the "District"), as of and for the year ended December 31, 2016, 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 major fund, and the aggregate remaining fund information of the Pleasant View Metropolitan District as of December 31, 2016, 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.

Member: American Institute of Certified Public Accountants

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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, and the Schedule of Changes in Net Pension Asset / Liability – Volunteer Pension Fund, Schedule of Employer's Proportionate Share of Net Pension Asset / Liability – Fire and Police Pension Association of Colorado and the Schedules of District Contributions – Fire and Police Pension Association of Colorado in Section E 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 Management's Discussion and Analysis in Section B, and the Schedule of Changes in Net Pension Asset / Liability – Volunteer Pension Fund, Schedule of Employer's Proportionate Share of net pension Asset / Liability – Fire and Police Pension Association of Colorado and the Schedules of District Contributions – Fire and Police Pension Association of Colorado in Section E 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.

The budgetary comparison schedules, in section E are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The information found in Section F, the budgetary comparison schedule and the *History of Assessed Valuation, Mill Levy and Property Taxes Collected* listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The information found in Section F, the individual budget schedule and the *History of Assessed Valuation, Mill Levy and Property Taxes Collected*, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
August 7, 2017**

Pleasant View Metropolitan District

MANAGEMENT'S DISCUSSION AND ANALYSIS

Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

Within this section of Pleasant View Metropolitan District's (the "District") financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the year ended December 31, 2016. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the District's primary government activity. Special Revenue and Volunteer Firefighter funds are reported as separate funds and are included in the government-wide financial statements.

Financial Highlights

- The District's assets exceed its liabilities by \$5,200,569 (net position) for the year reported. This compares to the previous year when assets exceeded liabilities by \$4,881,624.
- Total net position is comprised of the following:
 1. Net invested in capital assets, of \$1,867,869 includes property and equipment, net of accumulated depreciation and related debt.
 2. Net position Restricted for Emergencies of \$41,414 is restricted by constraints imposed from outside the District such as debt covenants, laws or regulations.
 3. Unrestricted net position of \$2,755,870 represent the portion available to maintain the District's continuing obligations to citizens and creditors.
- The District's governmental activities reported a total ending net position of \$5,200,569 this year. This compares to the prior year ending net position of \$4,881,624 showing an increase of \$318,945 during the current year.

Overview of the Basic Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The District's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, (3) notes to basic financial statements and (4) required supplementary information. The District also includes additional information to supplement the basic financial statements.

Government-wide Financial Statements

The District's financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

The first of these government-wide statements is the **Statement of Net Position**. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's capital assets in addition to the financial information provided in this report.

The second government-wide statement is the **Statement of Activities**, which reports how the District's net position has changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the District that are principally supported by property taxes and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the District include general government, fire suppression, fire prevention and training, parks and recreation, and vehicles and equipment operations. The District currently does not have any revenues or expenditures that would be categorized as Business-type activities. Fiduciary activities such as employee and volunteer pension plans are not included in the government-wide statements since these assets are not available to fund District programs.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the District are presented as a special purpose government engaged in governmental type fund providing fire protection and parks and recreation services to District residents.

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinct view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheets and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in required supplementary information financial statements for the general fund, special revenue fund, volunteer firefighter fund (the three funds within the governmental funds) and in the supplementary information for the pension trust fund. These statements and schedules demonstrate compliance with the District's adopted and final revised budget.

Special Revenue funds are a governmental fund type reported in the fund financial statements. They are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specific purposes.

Proprietary funds are reported in the fund financial statements and generally report services for which the District charges customers a fee. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for major enterprise funds.

Fiduciary funds such as the volunteer pension plan are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund District programs. Fiduciary fund financial statements report similarly to proprietary funds.

Notes to Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Analysis of the District as a Whole

The District's net position at year end was \$5,200,569. This is a \$318,945 increase over last year's net position of \$4,881,624. The following table provides a summary of the District's net position at December 31, 2016:

Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

Statement of Net Position
Government-Wide

	2016	2015
Assets:		
Current assets	\$ 2,992,224	\$ 3,275,758
Capital assets, net	3,165,538	2,912,788
Total assets	6,157,762	6,188,546
Deferred outflow of resources:		
Deferred Outflow of Resources	181,771	44,363
Liabilities:		
Current liabilities	\$ 73,296	\$ 71,831
Long-term liabilities	96,941	133,510
Total liabilities	170,237	205,341
Deferred Inflow of Resources:		
Deferred Inflow of Resources	968,727	1,145,944
Net Position:		
Net invested in capital assets	1,867,869	2,779,278
Restricted for emergencies	41,414	32,665
Restricted for pension	535,416	697,391
Unrestricted	2,755,870	1,372,290
Total Net Position	5,200,569	4,881,624

The District reported a positive balance in net position for governmental activities. Net position increased \$318,945 for governmental activities.

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Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

The following table provides a summary of the District's changes in net position for the year ended December 31:

Statement of Activities
Government-Wide

	<u>2016</u>	<u>2015</u>
General Revenues:		
Property taxes	\$ 961,636	\$ 840,431
Specific ownership	77,850	69,652
Taxes		
Interest Income	6,088	1,896
Gain on Sale of Assets	0	4,000
Total General Revenues	<u>1,045,574</u>	<u>915,979</u>
Expenses:		
General Government	\$ 409,745	\$ 318,187
Fire Protection	457,152	412,520
Parks and Recreation	(145,982)	90,904
Interest on Long-Term Debt	5,714	7,465
Total Government-wide Expenses	<u>726,629</u>	<u>829,076</u>
Change in Net Asset	<u>318,945</u>	<u>86,903</u>
Net Position – beginning	<u>4,881,624</u>	<u>4,794,721</u>
Net Position – ending	<u>5,200,569</u>	<u>4,881,624</u>

The increase in net position, as compared to the prior year, is primarily a result of additional grant funding and higher SO taxes received than budgeted. The District's revenues were \$177,319 more than budgeted in 2016. In addition, expenditures were \$275,407 less than budgeted resulting in a large increase in the net position.

Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2016, was \$3,165,538. The total increase in this net investment was 9% for governmental activities. Governmental activities capital asset increases during the year included the continuation of improvements to park buildings, the purchase of storage units, horse arena repairs, fencing, and park property research.

Long-term Debt and Pension Related Deferred Inflows-cost Share Plan

As of December 31, 2016, the District had a total capital lease payable of \$90,857 decreasing by \$42,653 or 32% and compensated absences totaled \$50,561 increasing by \$7,909 or 19% as shown below:

Long-term Debt

	2016	2015
Capital Leases	\$ 90,857	\$ 133,510
Compensated Absences	50,561	42,652
Pension related deferred Inflows-cost share plan	5,296	840
	146,714	177,002

See Note III C. 3 – on page D11 Changes in Long-term obligations in Notes to Financial Statements for additional information. Information concerning the Pension Related Deferred Inflows can be found in Note III D. 1.

Financial Analysis of the District's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. Governmental funds reported ending fund balances of \$1,464,558. Of this year-end total, approximately \$1,291,190 is unassigned indicating availability for continuing District service requirements. Reserved fund balances include: \$41,414 for emergencies, \$88,363 for parks and recreation and \$6,886 for Volunteer firefighters. Un-spendable fund balances were reported as

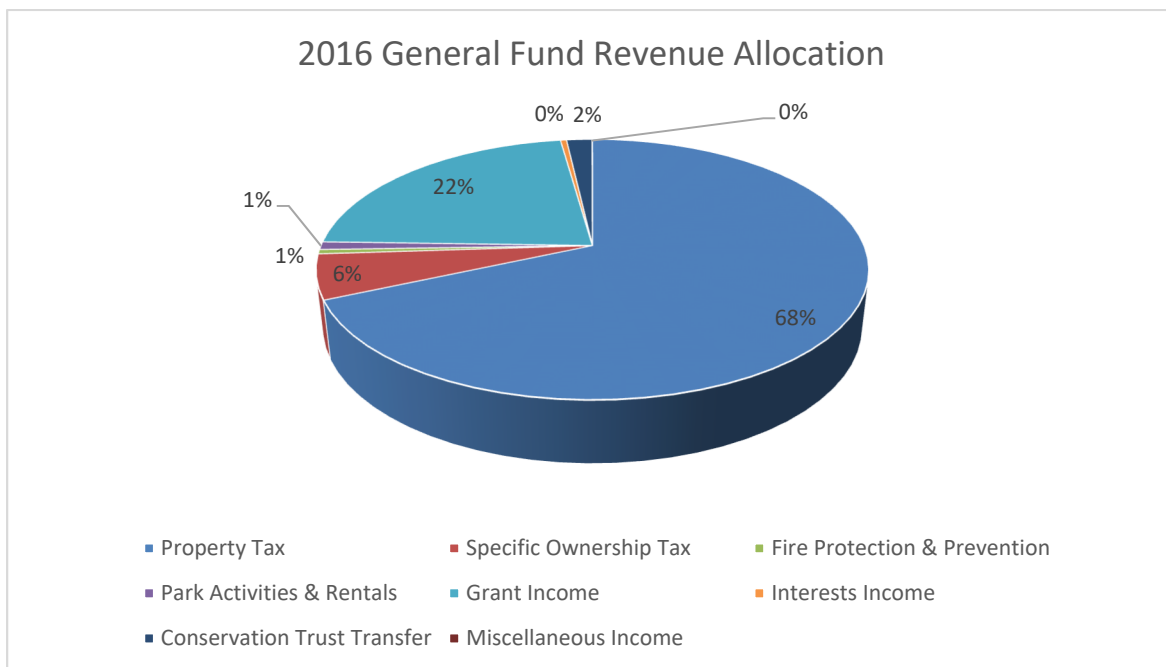
Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

\$36,705. The year end fund balances of the governmental funds show an increase from 2015 of \$60,475 from \$1,404,083 to \$1,464,558.

General Fund Revenues and Expenses

Revenues

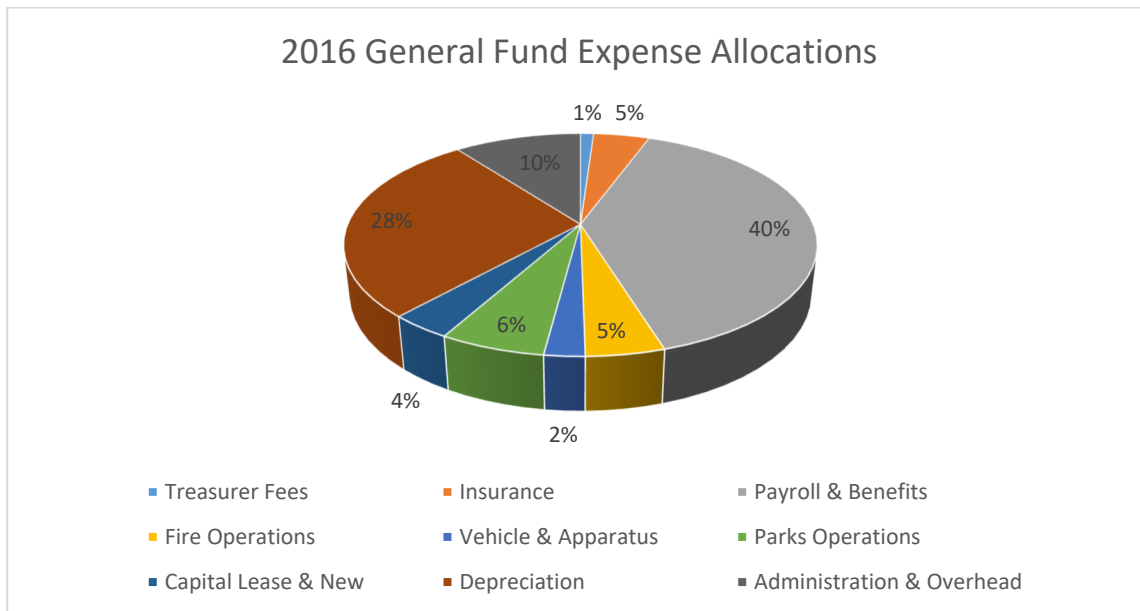
In 2016 Property tax revenue made up 68% of government-wide revenue and Specific Ownership tax equal 6%. The remaining 26% of government-wide revenue came from interest income, grant income, charges for services and other miscellaneous revenues. Below is a summary of the District's General Fund revenues for 2016.



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December 31, 2016

Expenses

The expenses of the District's activities included Fire Operations at 5%, Park Operations at 6%, Payroll and Benefits at 40%, Overhead at 10%, and other expenses at 39%. Total General Fund expenses were \$1,347,173, an increase of 35% or \$345,613 from 2015 to 2016. The following chart shows those expense percentages for 2016.



Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Pleasant View Metropolitan District does not have any proprietary funds.

Special Revenue Funds

Special Revenue Funds report the activity on restricted funds. For Pleasant View Metropolitan District, the monies received from Conservation Trust Fund (CTF) would be considered special revenue since it is restricted in how it can be used. In 2011 the Board approved the reporting of this fund as separate from the General Fund and is reported as a governmental fund.

Volunteer Fire Department Funds

Volunteer Fire Department Funds are restricted funds used by the Volunteer Firefighters. These funds are collected through donations and fundraisers and are expensed for the betterment of the firehouse and volunteers.

Fiduciary Funds

Pleasant View Metropolitan District has one fiduciary fund; the Pension Trust Fund. This Pension Trust Fund reports on the assets held in trust for the benefit of the volunteer firefighters. In 2014, the District implemented Government Accounting Standards Board statement No. 68, *Accounting and Financial Reporting for Pensions (an Amendment of GASB No. 27)*. Due to this, the Schedule of Changes in Net Pension Asset/Liability for the Volunteer Pension Fund changed. For the full Schedule see page E5 of this audit report.

Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

The following table shows key changes from the 2013 to 2015 (the most recent available) actuarial studies.

Category	Valuation as of January 1, 2013	Valuation as of January 1, 2015	Change
<i>Active Members</i>	32	36	4
<i>Retired Members</i>	3	3	0
<i>Market Value</i>	\$ 1,474,086	\$ 1,738,164	\$ 264,078
<i>UAAL</i>	\$ 637,991	\$ 620,017	(\$ 17,974)
<i>Contribution Requirement</i>	\$ 4,564	\$ 13,685	\$ 9,121

The District contributes to two other pension plans for its paid personnel. The paid firefighter's pension is managed by the Colorado Fire and Police Pension Association (FPPA) and is a pooled fund with other districts. As a result, this pension does not have an annual reporting on the District's individual investment performance. The non-fire personnel's pension is managed by the Colorado Counties Officers and Employees Retirement Association (CCOERA) and it is also a pooled fund. See Note IV D. 1 on page D23 – Retirement Plans - in the Notes to Financial Statements for more detail.

Budgetary Highlights

The District's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements.

In the General Fund, the revenue was \$177,319 more than budgeted amount of \$1,203,213. The expenses were under the budgeted amount by \$275,407. Revenue was higher than budgeted due to grants funds fully used in the year that had been previously awarded. Expenses were lower than budgeted due to lower staffing costs and lower costs for capital projects.

In Volunteer Firefighters fund, the revenue was \$72 less than the budgeted amount of \$2,640 and expenses were under budget by \$3,300.

The Special Revenue Fund ended the year under budget in revenues by \$451, and under budget for expenses by \$25,000.

Pleasant View Metropolitan District
Management's Discussion and Analysis
December 31, 2016

Economic Environment and Next Year's Budgets and Rates

In 2016 the District continued maintaining its commitment to watching expenses and following the maintenance schedules established. The District is anticipating a decrease in revenue of approximately \$270,382 or 20% for 2017. This is primarily due to the decrease in expected grant revenue. The District anticipates expenses to decrease in 2017 by approximately 22% due to a reduction of capital expenditures. As grant funds are received and used, the 2017 expenses could exceed expectations and the budget will be amended as needed. The District anticipates allocating 7% of its revenue into a reserve fund in addition to the 3% required by TABOR.

Requests for Information

This report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Pleasant View Metropolitan District, 955 Moss Street, Golden, CO 80401.

Pleasant View Metropolitan District

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Pleasant View Metropolitan District
Statement of Net Position
December 31, 2016

Assets:

Cash and equivalents	1,316,203
Property tax receivable	963,431
Accounts receivable	134,000
Due from county treasurer	6,469
Prepaid expenses	36,705
Net pension asset - statewide defined benefit plan	707
Net pension asset - volunteer pension plan	534,709
Capital assets - not being depreciated	1,206,812
Capital assets - net of accumulated depreciation	1,958,726
Total Assets	<u><u>6,157,762</u></u>

Deferred Outflows of Resources:

Pension related deferred outflows:	
Statewide defined benefit plan	73,126
Volunteer pension plan	108,645
Total Deferred Outflows of Resources	<u><u>181,771</u></u>

Liabilities:

Accounts payable	18,439
Payroll liabilities	10,380
Accrued compensated absences	
Due in more than one year	50,561
Capital leases payable:	
Due within one year	44,477
Due in more than one year	46,380
Total Liabilities	<u><u>170,237</u></u>

Deferred Inflow of Resources:

Unavailable property tax revenue	963,431
Pension related deferred inflows	
Statewide defined benefit plan	5,296
Total Deferred Inflow of Resources	<u><u>968,727</u></u>

Net Position:

Net invested in capital assets	1,867,869
Restricted for emergencies	41,414
Restricted for pensions	535,416
Unrestricted	2,755,870
Total Net Position	<u><u>5,200,569</u></u>

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

**Pleasant View Metropolitan District
Statement of Activities
For the Year Ended December 31, 2016**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	409,745	-	-	-	(409,745)
Fire protection	467,320	7,600	2,568	-	(457,152)
Parks and recreation	205,529	13,740	24,390	313,381	145,982
Interest on long term debt	5,714	-	-	-	(5,714)
Total Governmental Activities	1,088,308	21,340	26,958	313,381	(726,629)
General revenues:					
Taxes:					
Property tax, levied for general purposes					961,636
Specific ownership tax					77,850
Investment earnings					6,088
Total General Revenues					1,045,574
Change in Net Position					318,945
Net Position - Beginning					4,881,624
Net Position - Ending					5,200,569

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

Pleasant View Metropolitan District

FUND FINANCIAL STATEMENTS

**Pleasant View Metropolitan District
Balance Sheets
Governmental Funds
December 31, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Volunteer Firefighter Fund</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	1,220,954	88,363	6,886	1,316,203
Due from county treasurer	6,469	-	-	6,469
Property tax receivable	963,431	-	-	963,431
Accounts receivable	134,000	-	-	134,000
Prepaid expenses	36,705	-	-	36,705
Total Assets	<u>2,361,559</u>	<u>88,363</u>	<u>6,886</u>	<u>2,456,808</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	18,439	-	-	18,439
Payroll liabilities	9,780	-	-	9,780
Due to county treasurer	600	-	-	600
Total Liabilities	<u>28,819</u>	<u>-</u>	<u>-</u>	<u>28,819</u>
Deferred Inflow of Resources:				
Unavailable property tax revenue	963,431	-	-	963,431
Total Deferred Inflow of Resources:	<u>963,431</u>	<u>-</u>	<u>-</u>	<u>963,431</u>
Fund Balance:				
Nonspendable	36,705	-	-	36,705
Restricted for:				
Emergencies	41,414	-	-	41,414
Parks and recreation	-	88,363	-	88,363
Volunteer firefighters	-	-	6,886	6,886
Unassigned	1,291,190	-	-	1,291,190
Total Fund Balances	<u>1,369,309</u>	<u>88,363</u>	<u>6,886</u>	<u>1,464,558</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>2,361,559</u>	<u>88,363</u>	<u>6,886</u>	<u>2,456,808</u>

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

**Pleasant View Metropolitan District
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2016**

Governmental Funds Total Fund Balance		1,464,558
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Details of this difference are as follows:</p>		
Net pension asset - statewide defined benefit plan	707	
Net pension asset - agent plan	534,709	
Capital assets	4,336,955	
Accumulated depreciation	(1,171,417)	
Deferred outflows of resources - statewide defined benefit plan	73,126	
Deferred outflows of resources - volunteer pension plan	<u>108,645</u>	
		3,882,725
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Details of these amounts are as follows:</p>		
Accrued compensated absences	(50,561)	
Leases payable	(90,857)	
Pension related deferred inflows - statewide defined benefit plan	<u>(5,296)</u>	
		<u>(146,714)</u>
Net Position of Governmental Activities		<u><u>5,200,569</u></u>

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

Pleasant View Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Volunteer Firefighter Fund</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	961,636	-	-	961,636
Specific ownership taxes	77,850	-	-	77,850
Lottery proceeds	-	24,390	-	24,390
Net investment earnings	5,929	159	-	6,088
Grants	313,381	-	-	313,381
Charges for services	6,902	-	-	6,902
Other	14,834	-	2,568	17,402
Total Revenues	<u>1,380,532</u>	<u>24,549</u>	<u>2,568</u>	<u>1,407,649</u>
Expenditures:				
Personnel	551,881	-	-	551,881
General and administrative	167,491	-	-	167,491
Fire protection	102,007	-	-	102,007
Parks and recreation	101,599	-	-	101,599
Capital outlay	375,830	-	-	375,830
Debt service	48,366	-	-	48,366
Total Expenditures	<u>1,347,174</u>	<u>-</u>	<u>-</u>	<u>1,347,174</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>33,358</u>	<u>24,549</u>	<u>2,568</u>	<u>60,475</u>
Other Financial Sources (Uses):				
Transfers in	25,000	-	-	25,000
Transfers out	-	(25,000)	-	(25,000)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	58,358	(451)	2,568	60,475
Fund Balances - Beginning	<u>1,310,951</u>	<u>88,814</u>	<u>4,318</u>	<u>1,404,083</u>
Fund Balances - Ending	<u><u>1,369,309</u></u>	<u><u>88,363</u></u>	<u><u>6,886</u></u>	<u><u>1,464,558</u></u>

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

Pleasant View Metropolitan District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activists
For the Year Ended December 31, 2016

Net Change in Fund Balance		60,475
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of these differences are as follows:</p>		
Repayment of principal on leases		42,652
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities these costs are allocated over the useful lives of the assets as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year. Details of these differences are as follows:</p>		
Capital increases	630,341	
Capital decreases	(248,110)	
Depreciation expense	(129,481)	
		252,750
<p>Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. This is the change in the amount of compensated absences not currently payable.</p>		
		(7,909)
<p>Changes in the District's net pension asset reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in the District's net pension asset during the year, including difference between employer contributions to the pension plan and amortization of pension-related deferrals</p>		
		(29,023)
Change in Net Position of Governmental Activities		318,945

Pleasant View Metropolitan District

NOTES TO THE FINANCIAL STATEMENTS

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016**

I. Summary of Significant Accounting Policies

Pleasant View Metropolitan District (the "District") is a quasi-municipal corporation governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County, Colorado. The District was formed to provide fire protection services and to provide administration and funding of parks and recreation.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted and unrestricted net position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures / expenses. The fund focus is on current available resources and budget compliance.

The District reports the following governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Special Revenue Fund* accounts for State lottery proceeds and the related expenditures.

The *Volunteer Firefighter Fund* accounts for donations and fundraising proceeds to be expended for volunteer firefighter costs.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements and the fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as local government investment pools (COLOTRUST).

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District has not adopted a formal investment policy; however, it follows Colorado statutes specifying specific investment instruments meeting defined rating 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 mutual funds
- Guaranteed investment contract
- Local government investment pools

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. At December 31, 2016 all accounts were considered collectible.

3. Payables and Accrued Liabilities

Payables and accrued liabilities are defined as obligations arising out of the current period that are anticipated to be liquidated with currently available financial resources.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	25 - 100
Fire equipment	10 - 25
Fire vehicles	10

6. Pensions

The District participates in the Statewide Defined Benefit Plan (the "SWDB") administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan. The District also sponsors a single employer defined benefit plan for its volunteer firefighters. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

7. Compensated Absences

For governmental funds, vested and accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources, is reported as expenditures and a fund liability of the governmental fund that will pay it. Vested and accumulated vacation and sick leave not expected to be liquidated with expendable available financial resources are not reported in the governmental fund financial statements. However, these amounts are reported in the government-wide financial statements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated to be paid upon termination.

Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District has only one item that qualifies for reporting in this category, pension-related deferred outflows reported in the government-wide Statement of Net Position. Pension contributions made after the measurement date, and the difference between projected and actual earnings, will be recognized as a reduction of the net pension liability in future periods. See Note III.D.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category. Accordingly, the items, unearned revenue for property taxes and grants, are deferred and recognized as an inflow of resources in the period that the amounts become available and earned. Additionally, collective deferred inflows related to the District's net pension asset (liability) are reported on the statement of net position and are amortized over the average remaining service life of all active and inactive plan members. See Note III.D.

9. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Fund Balance (continued)

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy.

10. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

11. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

12. Use of Estimates

The preparation of financial statements to conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). The budget for the proprietary funds is adopted on a Non-GAAP budgetary basis and is reconciled to GAAP basis if necessary.

As required by Colorado statutes, the District followed the following time table in approving and enacting a budget for the ensuing year:

1. For the 2016 budget year, prior to August 25, 2015, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2015 the County Assessor sent the final recertified assessed valuation to the District

Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

2. On or before October 15, 2015, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. A public hearing on the proposed budget and capital program was held by the Board no later than 45 days prior to the close of the fiscal year.
4. For the 2016 budget, prior to December 15, 2015, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
5. For the 2016 budget, the final budget and appropriating resolution was adopted prior to December 31, 2015.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2015 were collected in 2016 and taxes certified in 2016 will be collected in 2017. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted a portion of its December 31, 2016 year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of \$41,415, the approximate required reserve at December 31, 2016.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

The District's voters approved the following TABOR ballot question May 4, 2004:

Shall Pleasant View Metropolitan District be authorized to collect, retain and spend all revenues, grants and other funds received from all sources, including without limitation the District's general operating property tax levy of 4.984 mills, which tax levy shall not be increased in excess of the rate of 4.984 mill in any year without voter approval, commencing January 1, 2004 and continuing thereafter until repealed, to be spent for general operations and capital improvements as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law, and as a permanent waiver of the 5.5 percent limitation under section 29-1-301 C.R.S.?

The District's voters approved the following TABOR ballot question on May 6, 2008:

Shall Pleasant View Metropolitan District taxes be increased \$273,690 annually in the first full fiscal year or by such amount as may be raised by the imposition of an additional ad valorem property tax rate of 2.016 mills, commencing January 1, 2009, and continuing thereafter, for the purposes of hiring up to six (6) paid firefighters for guaranteed coverage for the community, the purchase and maintenance of a fire engine and apparatus, and general operations, resulting in a total District mill levy rate, exclusive of refunds, abatements, or debt service, not to exceed 7.000 mills; and shall the District be authorized to collect, retain and spend the tax revenue collected from such additional property tax rate, commencing January 1, 2009, and continuing thereafter, as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under 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.?

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions including how to calculate fiscal year spending limits and qualification as an enterprise will require judicial interpretation.

III. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$437,504 at year end.

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2016, the District had the following recurring fair value measurements:

Investments Measured at Net Asset Value	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Investment pool	\$ 878,386	N/A	N/A	N/A
Total	<u>\$ 878,386</u>			

The Investment Pool represents investments in COLOTRUST. COLOTRUST operates similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trust consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The District has no regulatory oversight for the pool.

The District had the following cash and investments with the following maturities:

	Standard & Poor's rating	Carrying amounts	Maturities	
			Less than one year	More than one year
Deposits:				
Petty cash	<i>Not Rated</i>	\$ 313	313	-
Checking	<i>Not Rated</i>	437,504	437,504	-
Investments:				
Pools	<i>AAAm</i>	878,386	878,386	-
Total		<u>\$ 1,316,203</u>	<u>1,316,203</u>	<u>-</u>

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 1,206,812	-	-	1,206,812
Construction in Progress	25,104	223,006	(248,110)	-
Total capital assets not being depreciated	<u>1,231,916</u>	<u>223,006</u>	<u>(248,110)</u>	<u>1,206,812</u>
Capital assets being depreciated:				
Buildings	624,505	387,335	-	1,011,840
Equipment	1,107,391	20,000	-	1,127,391
Apparatus and vehicles	990,912	-	-	990,912
Total capital assets being depreciated	<u>2,722,808</u>	<u>407,335</u>	<u>-</u>	<u>3,130,143</u>
Accumulated depreciation	<u>1,041,936</u>	<u>129,481</u>	<u>-</u>	<u>1,171,417</u>
Total capital assets being depreciated, net	<u>1,680,872</u>	<u>277,854</u>	<u>-</u>	<u>1,958,726</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 2,912,788</u></u>	<u><u>500,860</u></u>	<u><u>(248,110)</u></u>	<u><u>3,165,538</u></u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 16,752
Fire Protection	74,471
Parks and recreation	38,258
	<u><u>\$ 129,481</u></u>

C. Long-term Obligations

1. Engine Lease Purchase Agreement 2008

On June 17, 2008, the District entered into a lease and purchase agreement with Municipal Services Group, Inc. ("Municipal Services") for acquisition of a fire engine and related equipment in the amount of \$386,880 at an interest rate of 4.26%. The agreement initially terminated on December 31, 2008 and may be renewed annually for ten successive annual terms. Annual payments of principal and interest are due in the amount of \$48,366. At the end of the term of the lease, all rights, titles, and interest of Wells Fargo in the truck and equipment, are conveyed to the District.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

C. Long-term Obligations (continued)

2. Annual Debt Service Requirements

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 44,477	3,889	48,366
2018	46,380	1,985	48,365
Total	\$ 90,857	5,874	96,731

3. Changes in Long-term Obligations

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Engine 41 Lease	\$ 133,510	-	(42,653)	90,857	44,477
Compensated absences	42,652	7,909	-	50,561	-
	<u>\$ 176,162</u>	<u>7,909</u>	<u>(42,653)</u>	<u>141,418</u>	<u>44,477</u>

4. Authorized and Unissued Debt

The District has no debt authorized by the electorate which has not been issued as of December 31, 2016.

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

Plan Description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Statewide Defined Benefit Plan ("SWDB") may include clerical and other personnel from fire districts whose services are auxiliary to fire protection.

Contributions. Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 8.5% and 8.0%, respectively, of base salary for a total contribution rate of 16.5% through 2015. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5% of base salary through 2015. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%.

Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The contribution rate for members and employers of affiliated social security employers is 4.25% and 4%, respectively, of base salary for a total contribution rate of 8.25% in 2015. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

Benefits. On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account ("SRA") has two components; the standard SRA and the reentry SRA.

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Net Pension Asset (Liability). At December 31, 2016, the District reported an asset of \$707 for its proportionate share of the net pension asset (liability). The Plan's fiduciary net position currently exceeds the total pension liability, resulting in an asset reported by the District. The net pension asset (liability) was measured at of December 31, 2015, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation as of January 1, 2016. The District's proportion of the net pension asset (liability) was based on the District's contributions to the Plan for calendar year 2015, relative to the total contributions of participating employers to the Plan.

At December 31, 2015, The District's proportionate share was 0.040099%, compared to 0.036113% at December 31, 2014.

For the year ended December 31, 2016, the District recognized net pension (revenues) expense of \$(9,698).

At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,717	835
Change of assumptions or other inputs	11,103	-
Net difference between projected and actual earnings on pension plan investments	35,957	-
Changes in proportionate share of contributions	161	4,461
Contributions subsequent to measurement date	20,188	-
	<u>\$ 73,126</u>	<u>5,296</u>

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as an adjustment against the net pension (liability) asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as a component of pension expense as follows:

Year Ended December 31,	Amortization
2017	\$ (10,479)
2018	(10,479)
2019	(10,479)
2020	(9,587)
2021	(1,261)
thereafter	(5,357)
	<u>\$ (47,642)</u>

Actuarial Assumptions. The actuarial valuations for the SWDB plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31 2015. The valuations used the following actuarial assumption and other inputs:

Actuarial Assumptions	Total Pension	Actuarially Determined Contributions
Actuarial Valuation Date	1-Jan-16	1-Jan-15
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, open	Level % of Payroll, open
Amortization Period	30 years	30 years
Asset Valuation Method	5-Year Smoothed Fair Value	5-Year Smoothed Fair Value
Long-term investment Rate of Return	7.5%	7.5%
Projected Salary Increases	4.0% - 14.0%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
Includes inflation at	2.5%	3.0%

Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the roll-forward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefits purposes such as purchases of service credit and other benefits where actuarial factors are used.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long Term</u>
Global Equity	37.0%	6.5%
Equity Long / Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%
Total	<u>100.00%</u>	

**While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.*

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Collective net pension asset (liability)	\$(246,949,671)	\$ 1,762,854	\$ 208,061,345
Proportionate share of net pension asset (liability)	\$ (99,024)	\$ 707	\$ 83,430

Pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.FPPAco.org>.

2. Volunteer Fire Pension Plan

Plan Description. The District is trustee of a single-employer defined benefit pension plan available to provide retirement income for all volunteer fire fighters in recognition of their service to the District. FPPA administers an agent multiple-employer Public Employee Retirement System ("PERS"). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://FPPAco.org>.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Volunteer Fire Pension Plan (continued)

The plan provides normal retirement benefits, disability retirement and survivor benefits. The following benefit provisions were used to determine the District's pension liability at the measurement date of December 31, 2015:

Normal retirement benefit at age 50 with 20 year of service (monthly):

Regular	\$ 1,400
Extended Service Amount Per Year of Service	\$ 70

Vested retirement benefit:

With 10 to 20 years of service amount per year of service per minimum vesting years	\$ 700
Minimum vesting years	10

Disability retirement benefit (monthly):

Short term disability for line of duty injury amount payable for not more than 1 year	\$ 700
Long term disability for line of duty injury lifetime benefit	\$ 1,400

Survivor benefits (monthly):

Following death before retirement eligible: due to death in line of duty as volunteer firefighter	\$ 700
Following death after normal retirement	\$ 700
Following death after Normal Retirement with Extended Service Amount Per Year of Service	\$ 35
Following death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service Per Minimum Vesting Years	\$ 35
Following death after disability retirement	\$ 700

Funeral benefits (required benefit):

Funeral benefit lump sum, one time only	\$ 2,800
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As of January 1, 2015, the latest actuarial valuation date, there were 36 active members, 3 service retirees and beneficiaries, and 2 terminated vested members.

Funding Policy. The funding of the plan by the District and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of District contributions, whichever is less. Since the District currently offers maximum retirement benefits in excess of \$500 per month, the State will match at the level determined above but no greater than the maximum of (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Volunteer Fire Pension Plan (continued)

Net Pension Asset (Liability). At December 31, 2016, the volunteer pension fund reported a net pension asset (liability) of \$534,709. The net pension asset (liability) was measured as of December 31, 2015, and the total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation as of January 1, 2015.

Actuarial Assumptions. The significant actuarial assumptions used in the valuation as of January 1, 2015 were:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open*
Remaining amortization period	20 years*
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off duty mortality. Post-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled: RP-2000 Disabled Mortality Tables All tables projected with Scale AA.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on pension plan investments (7.50%), and (2) tax-exempt municipal bond rate based on an index of 20-year obligation bonds with an average AA credit rating as of the measurement date (3.57%) to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits. The resulting Single Discount Rate is 7.50%.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. Volunteer Fire Pension Plan (continued)

Regarding the sensitivity of the net pension asset (liability) to changes in the Single Discount Rate, the following represent the plan's net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension asset (liability)	\$ 293,394	\$ 534,709	\$ 721,816

In connection with the District's Volunteer Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2016:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 11,582	-
Net difference between projected and actual earnings on pension plan investments	84,578	-
Contributions subsequent to measurement date	12,485	-
	\$ 108,645	-

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

Year Ended December 31,	Amortization
2017	\$ (23,569)
2018	(23,569)
2019	(23,571)
2020	(21,453)
2021	(1,896)
thereafter	(2,102)
	\$ (96,160)

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

III. Detailed Notes on All Funds (continued)

E. Interfund Transfers

The District recorded the transfers during 2016:

<u>Transferred To:</u>	<u>Transferred From:</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Special Revenue Fund	\$ 25,000	Park improvements

IV. Other Information

A. Jefferson County Land Leases

The District has entered into three leases with Jefferson County (the "County"). The District constructs and maintains park improvements and grounds. The County retains ownership of the lands and improvements.

1. Orchard Park

The District entered into the lease for a tract of land known as Orchard Park with the County on October 16, 1980 and amended the lease July 20, 2010. The lease is for a term of ninety-nine years from the original date with rent of \$1 per year.

2. Westblade Park

The District entered into the lease October 17, 1991 for a tract of land known as Westblade Park. The initial term is for twenty-five years at rent of \$1 per year. The lease may be renewed for one additional twenty-five year term upon written approval by the District and the County.

3. Camp George West

The District entered into the lease for a tract of land known as Camp George West with the County on July 13, 1999 and amended the lease on August 28, 2001. The term of the lease is for fifty years with annual rent of \$10. The lease may be renewed for an additional fifty year term.

B. Intergovernmental Agreement – Pleasant View Water and Sanitation District

On March 24, 2004, the District entered into an Intergovernmental Agreement (the "IGA") with the Pleasant View Water and Sanitation District ("PVWSD") for operations of the jointly owned and occupied property known as the Community Building. The IGA establishes procedures forming a Building Committee which will prepare and approve budgets and expenditures for general operations and upkeep of the Community Building. For the year ending December 31, 2016 the District paid \$39,196 to the Building Committee for the benefit of the Community Building.

**Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

IV. Other Information (continued)

C. Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000.

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 audited statutory basis financial information for the Pool as of and for the year ended December 31, 2015 (the latest audited information available) is as follows:

Assets	<u>\$ 44,054,744</u>
Liabilities	\$ 24,739,781
Capital and surplus	19,314,963
Total	<u>\$ 44,054,744</u>
Revenue	\$ 16,356,266
Underwriting expenses	14,839,993
Underwriting gain (loss)	1,516,273
Other income	205,186
Net Income	<u>\$ 1,721,459</u>

Pleasant View Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Other Information (continued)

D. Defined Contribution Pension Plans

1. Retirement Plans – Defined Contribution Pension Plan – Section 401(a)

The District is a member of Colorado County Officials & Employees Retirement Association (“CCOERA”). CCOERA was established to provide retirement benefits to employees of Colorado local governments. As a member, the District participates in the CCOERA retirement plan created in accordance with Internal Revenue Code Section 401(a) (the “401(a) Plan”), which is a defined contribution pension plan. Employees of the District may participate in the 401(a) beginning on the first day of paid employment. Each eligible employee is required to contribute 6% of gross wages to the 401(a) Plan. The District matches employee contributions at the same rate and these matched dollars have a vesting period of 5 years. The District is neither the trustee nor the administrator for the 401(a) Plan. The seven-member governing board of CCOERA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee. Upon termination of service with the District, any unvested amounts will be forfeited and may be used to pay plan expenses or Employer’s contributions to the 401(a) Plan.

During 2016, the District recognized \$10,118 of expense under this plan. The District has no forfeitures included in the 2016 401(a) Plan expense. The District had a no liability due to the 401(a) Plan at December 31, 2016.

2. Retirement Plans – Defined Contribution Pension Plan – Section 457

The District also participates in the CCOERA retirement plan created in accordance with Internal Revenue Code Section 457 (the “457 Plan”), which is a defined contribution plan. The plan permits employees to defer a portion of their salary until future years. All contributions to the 457 Plan and all income attributable to those amounts, are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan’s investment concentration varies between participants. The District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District is neither the trustee nor the administrator for the plan. The seven-member governing board of CCOERA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The District recognized pension expense of \$6,231 related to this 457 Plan during 2016 and had no liability to the 457 Plan at December 31, 2016.

Pleasant View Metropolitan District

REQUIRED SUPPLEMENTARY INFORMATION

Pleasant View Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)

	<u>2016</u>			Final Budget Variance Positive (Negative)	<u>2015</u>
	Original Budget	Final Budget	Actual		Actual Amounts
Revenues:					
Property taxes	970,949	970,949	961,636	(9,313)	840,431
Specific ownership taxes	64,000	64,000	77,850	13,850	69,652
Net investment earnings	1,020	4,000	5,929	1,929	1,779
Grants	191,245	139,226	313,381	174,155	110,025
Charges for services	4,738	4,738	6,902	2,164	3,629
Other	20,300	20,300	14,834	(5,466)	29,500
Total Revenues	<u>1,252,252</u>	<u>1,203,213</u>	<u>1,380,532</u>	<u>177,319</u>	<u>1,055,016</u>
Expenditures:					
Personnel	578,438	578,438	551,881	26,557	481,707
General and administrative	136,036	165,234	167,491	(2,257)	138,775
Fire protection	121,038	124,472	102,007	22,465	165,635
Parks and recreation	78,700	85,700	101,599	(15,899)	82,741
Capital outlay	216,245	523,245	375,830	147,415	84,337
Debt service	48,366	48,366	48,366	-	48,366
Reserves	97,126	97,126	-	97,126	-
Total Expenditures	<u>1,275,949</u>	<u>1,622,581</u>	<u>1,347,174</u>	<u>275,407</u>	<u>1,001,561</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,697)</u>	<u>(419,368)</u>	<u>33,358</u>	<u>452,726</u>	<u>53,455</u>
Other Financial Sources (Uses):					
Bond proceeds	-	141,894	-	(141,894)	-
Sale of capital assets	-	-	-	-	4,000
Insurance proceeds	-	-	-	-	29,811
Transfers in	25,000	277,474	25,000	(252,474)	-
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>419,368</u>	<u>25,000</u>	<u>(394,368)</u>	<u>33,811</u>
Net Change in Fund Balances	<u>1,303</u>	<u>-</u>	<u>58,358</u>	<u>58,358</u>	<u>87,266</u>
Fund Balances - Beginning			<u>1,310,951</u>		
Fund Balances - Ending			<u>1,369,309</u>		

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

**Pleasant View Metropolitan District
Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Special Revenue Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)**

	<u>2016</u>			<u>2015</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual Amounts</u>
Revenues:				
Lottery proceeds	22,273	24,773	24,390	(383)
Net investment earnings	227	227	159	(68)
Total Revenues	<u>22,500</u>	<u>25,000</u>	<u>24,549</u>	<u>(451)</u>
Expenditures:				
Park improvements	<u>7,500</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>7,500</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>15,000</u>	<u>-</u>	<u>24,549</u>	<u>24,549</u>
Other Financial Sources (Uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
Net Change in Fund Balances	<u>15,000</u>	<u>-</u>	<u>(451)</u>	<u>(451)</u>
Fund Balances - Beginning			<u>88,814</u>	
Fund Balances - Ending			<u>88,363</u>	

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

**Pleasant View Metropolitan District
Schedule of Changes in Fund Balance
Budget (GAAP Basis) and Actual
Volunteer Firefighters Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)**

	<u>2016</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2015</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Donations and fundraising	2,640	2,640	2,568	(72)	2,989
Total Revenues	<u>2,640</u>	<u>2,640</u>	<u>2,568</u>	<u>(72)</u>	<u>2,989</u>
Expenditures:					
Firefighter appreciation	300	300	-	300	150
Other	3,000	3,000	-	3,000	626
Total Expenditures	<u>3,300</u>	<u>3,300</u>	<u>-</u>	<u>3,300</u>	<u>776</u>
Net Change in Fund Balances	<u>(660)</u>	<u>(660)</u>	2,568	<u>3,228</u>	<u>2,213</u>
Fund Balances - Beginning			<u>4,318</u>		
Fund Balances - Ending			<u>6,886</u>		

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

Pleasant View Metropolitan District
Schedule of Employer's Proportionate Share of Net Pension Asset / Liability
Statewide Defined Benefit Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's portion of the net pension asset	0.040099%	0.036113%	0.036332%
District's proportionate share of the net pension asset	707	40,756	32,488
District's covered-employee payroll	182,953	193,001	162,400
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.39%	21.12%	20.00%
Plan fiduciary net position as a percentage of the total pension asset	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the employer plan.

Notes to the Schedule of Employer's Proportionate Share of the Net Pension Asset / Liability for the Year Ended December 31, 2015

Note 1. Changes of assumptions.

Changes to assumptions or other inputs since the January 1, 2015 actuarial valuation are as follows:

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

**Pleasant View Metropolitan District
Schedule of Changes in Net Pension Asset / Liability
Volunteer Pension Fund
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

Measurement period ending December 31,	2015	2014
Total Pension Liability		
Service Cost	71,554	64,968
Interest on the Total Pension Liability	82,389	73,388
Difference between Expected and Actual Experience	-	15,374
Benefit Payments	(36,960)	(36,960)
Net Change in Total Pension Liability	116,983	116,770
Total Pension Liability - Beginning	1,081,529	964,759
Total Pension Liability - Ending (a)	1,198,512	1,081,529
Plan Fiduciary Net Position		
Employer Contributions	3,500	3,500
Pension Plan Net Investment Income	31,241	112,679
Benefit Payments	(36,960)	(36,960)
Pension Plan Administrative Expense	(3,924)	(2,963)
State of Colorado supplemental discretionary payment	1,200	1,200
Net Change in Plan Fiduciary Net Position	(4,943)	77,456
Plan Fiduciary Net Position - Beginning	1,738,164	1,660,708
Plan Fiduciary Net Position - Ending (b)	1,733,221	1,738,164
Net Pension Liability/(Asset) - Ending (a) - (b)	(534,709)	(656,635)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	144.61%	160.71%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

**Notes to the Schedule of Changes in Net Pension Asset / Liability
for the Year Ended December 31, 2015**

Note 1. Changes of assumptions.

No changes during the years presented above.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

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

**Pleasant View Metropolitan District
Schedule of District Contributions
Statewide Defined Benefit Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

	<u>2015</u>	<u>2014</u>
Contractually required contribution	15,551	12,992
Contributions in relation to the contractually required contribution	<u>(15,551)</u>	<u>(12,992)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>
District's covered-employee payroll	182,953	162,400
Contributions as a percentage of covered-employee payroll	8.50%	8.00%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

Notes to the Schedule of District Contributions for the Year Ended December 31, 2015

Note 1. Changes of assumptions.

No changes during the years presented above.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

**Pleasant View Metropolitan District
Schedule of District Contributions
Volunteer Pension Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	4,564	4,564
Actual contribution**	<u>(4,700)</u>	<u>(4,700)</u>
Contribution deficiency (excess)	<u>(136)</u>	<u>(136)</u>
District's covered-employee payroll	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule of District Contributions for the Year Ended December 31, 2015

Note 1. Changes of assumptions.

No changes during the years presented above.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

Pleasant View Metropolitan District

SUPPLEMENTARY INFORMATION

Pleasant View Metropolitan District
Schedule of Changes in Fiduciary Net Position
Budget (GAAP Basis) and Actual
Pension Trust Fund
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)

	2016			Final Budget Variance Positive (Negative)	2015
	Original Budget	Final Budget	Actual		Actual
Additions:					
District contribution	12,485	12,485	12,485	-	3,500
State contribution	1,200	1,200	1,200	-	1,200
Investment income	19,800	19,800	18,255	(1,545)	19,518
Realized gains (losses)	64,000	64,000	41,145	(22,855)	54,925
Unrealized gains (losses)	12,000	12,000	40,835	28,835	(43,506)
Other income	14,000	14,000	7,269	(6,731)	14,019
Total Additions	123,485	123,485	121,189	(2,296)	49,656
Deductions:					
Pension benefits	36,960	36,960	36,960	-	36,960
Administrative fees	16,500	16,500	4,635	11,865	17,640
Total Deductions	53,460	53,460	41,595	11,865	54,600
Change in Net Position	70,025	70,025	79,594	9,569	(4,944)
Fund Balances - Beginning			1,733,221		
Fund Balances - Ending			1,812,815		

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

**Pleasant View Metropolitan District
History of Assessed Valuation, Mill Levy and Property Taxes Collected**

Calendar Year Ended December 31	Prior Year Assessed Valuation For Current Year Property Tax Levy	All Funds Mills Levied	Property Taxes Total All Funds		Percent Collected to Levied
			Levied	Collected	
2006	134,978,290	4.516	609,562	608,011	99.75%
2007	133,961,660	4.984	667,665	663,254	99.34%
2008	135,759,510	4.984	676,625	673,619	99.56%
2009	133,658,890	7.000	935,612	904,987	96.73%
2010	127,253,850	7.000	890,777	838,978	94.18%
2011	120,340,950	7.000	842,387	833,122	98.90%
2012	117,324,044	7.000	821,268	812,611	98.95%
2013	116,960,312	7.000	818,722	816,062	99.68%
2014	117,703,947	7.000	823,928	823,135	99.90%
2015	120,757,868	7.000	845,305	840,628	99.45%
2016	138,707,031	7.000	970,949	961,462	99.02%

NOTE:

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