



Certified Public Accountants and Business Consultants

Accountant's Compilation Report

Board of Directors
Fairways Metropolitan District
Boulder County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Fairways Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Fairways Metropolitan District.

Barnes Griggs & Associates, PC

Lakewood, Colorado
January 15, 2018

Barnes Griggs & Associates, PC

FAIRWAYS METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

2016 Actual	2017 Adopted Budget	2018 Adopted Budget
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Assessed Valuation	\$	19,444,600	\$	19,454,719	\$	20,104,885
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Mill Levy

General Fund	3.651	3.651	3.722
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	(0.181)	-	-
Refunds and Abatements	0.177	-	-

Total Mill Levy	<u>3.647</u>	<u>3.651</u>	<u>3.722</u>
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Property Taxes

General Fund	\$ 70,992	\$ 71,029	\$ 74,830
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	(3,519)	-	-
Refunds and Abatements	3,442	-	-

Actual/Budgeted Property Taxes	<u>\$ 70,915</u>	<u>\$ 71,029</u>	<u>\$ 74,830</u>
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FAIRWAYS METROPOLITAN DISTRICT

GENERAL FUND 2018 Adopted Budget with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ 102,275	\$ 109,047	\$ 109,745	\$ 101,912
REVENUE				
Property Taxes	70,930	71,029	71,183	74,830
Specific Ownership Taxes	3,596	3,080	3,357	4,490
Other Income	-	-	69	-
Total Revenue	74,527	74,109	74,609	79,320
Total Funds Available	176,802	183,156	184,354	181,232
EXPENDITURES				
Accounting	13,589	12,000	15,210	15,514
Administrative Services	23,694	27,110	27,110	27,652
Audit	5,957	9,400	9,400	9,400
Billing Service	6,605	5,165	5,165	5,268
Director's Fees	2,300	3,000	3,000	3,000
Election	743	-	27	1,000
Insurance & Bonds	5,073	10,000	10,000	11,000
Legal	4,669	5,000	6,847	6,984
Payroll Taxes	176	230	230	230
Miscellaneous	516	250	250	250
Supplies and Expenses	2,671	1,900	1,900	1,900
Treasurer's Fees	1,065	1,065	1,065	1,122
Contingency	-	105,813	-	71,032
Total Expenditures	67,057	180,933	80,204	154,352
TRANSFERS AND OTHER USES				
Emergency Reserve	-	2,223	2,238	2,380
Transfer to Enterprise	-	-	-	24,500
Total Transfers and Other Uses	-	2,223	2,238	26,880
Total Expenditures Requiring Appropriation	67,057	183,156	82,442	181,232
ENDING FUND BALANCE	\$ 109,745	\$ -	\$ 101,912	\$ -

FAIRWAYS METROPOLITAN DISTRICT

ENTERPRISE FUND 2018 Adopted Budget with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ 1,555,407	\$ 900,737	\$ 1,213,923	\$ 336,443
REVENUE				
Sewer Service Fees	192,521	244,156	244,156	244,156
Interest	1,019	880	880	880
Other Income	50	-	60	-
Transfer from General Fund	-	-	-	24,500
CWPA Loan Proceeds	332,000	-	-	-
Total Revenue	525,590	245,036	245,096	269,536
Total Funds Available	2,080,997	1,145,773	1,459,019	605,979
EXPENDITURES				
Engineering	12,008	9,000	9,000	9,000
Supplies and Expenses	100	500	500	500
Treasurer's Fees	245	250	250	250
Plant Maintenance & Repair	2,753	5,000	13,180	13,180
Plant Operator	12,619	17,000	17,000	17,000
Permits and Testing	7,764	7,500	7,500	7,500
Chemicals	5,542	6,700	6,700	6,700
Jetting & Televising	-	17,000	27,000	17,000
Collection System Repair	-	8,000	8,000	8,000
LVGC Maintenance Agreement	6,050	6,600	6,600	6,600
Utilities	18,021	20,000	20,000	20,000
2013 CWPA Loan Principal	78,185	78,185	78,185	78,185
2016 CWPA Loan Principal	-	8,300	8,300	16,600
Plant & System Upgrades	-	3,600	3,600	12,551
WWTF Improvements	723,787	807,000	889,761	360,364
Capital Improvements-Collection Sys	-	27,000	27,000	12,549
Eff. Line 13 Valve Repairs	-	-	-	20,000
Total Expenditures	867,074	1,021,635	1,122,576	605,979
Total Expenditures Requiring Appropriation				
	867,074	1,021,635	1,122,576	605,979
ENDING FUND BALANCE	\$ 1,213,923	\$ 124,138	\$ 336,443	\$ -

FAIRWAYS METROPOLITAN DISTRICT

2018 Budget Message

Introduction

The 2018 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2018 fiscal year based on available revenues. This budget provides for the general operations of the District as well as a business-like enterprise for the collection and treatment of sewage, capital repair and replacement and repayment of loans.

The District's assessed value increased 3.34% to \$20,104,885 in 2017 for the 2018 budget year. The District's mill is 3.722 mills for 2018. All taxes collected in the 2018 fiscal year are dedicated to the General Fund.

The District was formed in 1964 for the purpose of providing sewage collection and treatment services. The District currently serves 341 customers in the service area which is located in Boulder County. No change in the level of service is anticipated during 2018.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District's General Fund is considered a Governmental Fund and is reported using the current financial resources and the modified accrual basis of accounting. The District's Sanitation Enterprise Fund is also reported using the current financial resources and the modified accrual basis of accounting. Revenues are recorded when earned and expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Summaries

The **General Fund** is used to account for revenue traditionally associated with government such as property taxes and specific ownership tax. Expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are property taxes and specific ownership taxes.

The **Enterprise Fund** is used to account for the operations that are financed and operated in a manner similar to a private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through user charges. In 2013 the District received an interest free loan from the Colorado Water Resources and Power Development Authority in the amount of \$1,563,694. In 2016 the District received an additional interest free loan in the amount of \$332,000. The loan proceeds will be used to upgrade the waste water treatment facility to comply with Regulation 84, Reclaimed Water Control Regulation as approved by the Colorado Department of Public Health and Environment.

Principal payments are due in equal amounts on May 1 and November 1 annually through the final payment in 2033. Below is a loan payment schedule through 2033.

Fairways Metropolitan District

Loan Principal and Interest in the Year Ending December 31,	2013 Loan, \$1,563,694 and 2016 Loan, \$332,000		
	Principal	Interest	Total
2018	\$ 94,785	\$ -	\$ 94,785
2019	94,785	-	94,785
2020	94,785	-	94,785
2021	94,785	-	94,785
2022	94,785	-	94,785
2023-2027	473,924	-	473,924
2028-2032	473,924	-	473,924
2033	152,885	-	152,885
	<u>\$ 1,574,655</u>	<u>\$ -</u>	<u>\$ 1,574,655</u>

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.