

## FAIRWAYS METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

### NOTICE OF REGULAR MEETING AND AGENDA OF THE BOARD OF DIRECTORS OF THE FAIRWAYS METROPOLITAN DISTRICT AND OF THE WASTEWATER UTILITY ENTERPRISE

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
John Pavlovic	President/Archivist	2022/May 2022
Gerald “Jerry” Schram	Treasurer	2022/May 2023
Wilmer Wilson	Assistant Secretary	2020/May 2023
<b>VACANT</b>	Assistant Secretary	2022/May 2022
<b>VACANT</b>	Assistant Secretary	2020/May 2023
David Solin	Secretary	

DATE: October 12, 2020 (Monday)

TIME: 5:30 P.M.

**PLACE:** **VIA Conference Call ONLY**

***\*NOTE: given current events and current advice and directives from local, state and federal jurisdictions related to COVID-19, this meeting is being held by teleconference only. Board members, consultants and members of the public may participate by teleconference by utilizing the following teleconference information: Conference Line: 1-877-250-3814; Passcode: 5592663.***

#### I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.

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- B. Approve Agenda; confirm location of meeting and posting of meeting notices.

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- C. Review and approve Minutes of the April 13, 2020 Regular Meeting (enclosure).

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- D. Discuss Board vacancies.

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- E. Discuss status of May 5, 2020 Election (enclosure).

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F. Consider appointment of Officers:

President \_\_\_\_\_  
Treasurer \_\_\_\_\_  
Secretary \_\_\_\_\_  
Asst. Secretary \_\_\_\_\_  
Asst. Secretary \_\_\_\_\_  
Asst. Secretary \_\_\_\_\_

G. Consider Regular Meeting dates for 2021 (suggested dates are January 11, 2021, April 12, 2021, July 12, 2021 and October 11, 2021). Review and consider approval of Resolution No. 2020-10-\_\_\_; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).

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H. Discuss §32-1-809, C.R.S., Transparency Notice reporting requirements and mode of eligible elector notification (2021 SDA Website).

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II. COMMUNITY COMMENTS

A. \_\_\_\_\_

III. FINANCIAL MATTERS

A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period ending July 15, 2020	Period ending August 13, 2020	Period ending Sept. 16, 2020
General	\$ 4,145.18	\$ 4,009.31	\$ 2,798.14
Capital	\$ -0-	\$ -0-	\$ -0-
Enterprise	\$ 7,686.34	\$ 19,999.63	\$ 14,721.58
<b>Total Claims</b>	<b>\$ 11,831.52</b>	<b>\$ 24,008.94</b>	<b>\$ 17,519.72</b>

\_\_\_\_\_

B. Review and accept the unaudited financial statements and cash position schedule for the period ending September 30, 2020 (enclosure).

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C. Ratify approval of 2019 Audited Financial Statements and authorization of the execution of Representations Letter (enclosures).

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- D. Ratify appointment of the District Accountant to prepare the 2021 Budget.

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- E. Consider engagement of Dazzio & Associates, PC for preparation of 2020 Audit, in the amount of \$4,900 (enclosure).

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- F. Conduct Public Hearing to consider Amendment to 2020 Budget (if necessary) and consider adoption of Resolution to Amend the 2020 Budget and Appropriate Expenditures.

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- G. Conduct Public Hearing on the proposed 2021 Budget and consider adoption of Resolution to Adopt the 2021 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund \_\_\_\_\_, Debt Service Fund \_\_\_\_\_, and Other Fund(s) \_\_\_\_\_ for a total mill levy of \_\_\_\_\_ (enclosures – preliminary AV, draft 2021 Budget, and resolutions).

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- H. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

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- I. Consider appointment of District Accountant to prepare the 2022 budget, and direct that the form of the 2022 budget be the same as the 2021 budget.

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#### IV. LEGAL MATTERS

- A. Discuss status of Memorandum of Understanding with Lake Valley Golf Club.

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#### V. ENGINEERING / OPERATIONS MATTERS

- A. Operator's Report (to be distributed).

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- B. Engineer's Report (to be distributed).

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VI. OTHER MATTERS

A. \_\_\_\_\_

VII. ADJOURNMENT ***THERE ARE NO MORE REGULAR MEETINGS SCHEDULED  
FOR 2020.***

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FAIRWAYS METROPOLITAN DISTRICT AND THE BOARD OF DIRECTORS OF THE WASTEWATER UTILITY ENTERPRISE HELD APRIL 13, 2020

A Regular Meeting of the Board of Directors of the Fairways Metropolitan District (the “District”) and the Board of Directors of the Wastewater Utility Enterprise (referred to hereafter collectively as the “Board”) was duly called and held on Monday, the 13th day of April, 2020, at 5:30 p.m. The meeting was open to the public.

The meeting was held via conference call due to the State of Emergency declared by Governor Polis and Public Health Order 20-23 Implementing Social Distancing Measures, and threat posed by the COVID-19 coronavirus.

#### **ATTENDANCE**

##### **Directors In Attendance Were:**

John Pavlovic  
Gerald “Jerry” Schram  
Judith Shinn

##### **Also In Attendance Were:**

David Solin; Special District Management Services, Inc.

Nick Marcotte; Element Engineering, LLC (for a portion of the meeting)

Gabrielle Begeman; ORC Water Professionals, Inc. (“ORC”) (for a portion of the meeting)

Wilmer “Catt” Wilson, Director-Elect

#### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

**Disclosure of Potential Conflicts of Interest:** Mr. Solin noted that a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. As disclosed in prior meetings, it was confirmed that Director Shinn is a

## RECORD OF PROCEEDINGS

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member of the North Rim Homeowners Association Board. There were no additional disclosures made.

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### **ADMINISTRATIVE MATTERS**

**Agenda:** Mr. Solin reviewed with the Board a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Schram, seconded by Director Shinn and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Board Meetings via Telephone:** Mr. Solin discussed that, due to the concerns over safety, Board meetings would be conducted via telephone until such time as it is deemed safe to meet in person again. He pointed out that all telephone meetings will remain open to the public, and that the information for joining the teleconference has been posted.

**Minutes:** The Board reviewed the Minutes of the January 13, 2020 Regular Meeting.

Following discussion, upon motion duly made by Director Shinn, seconded by Director Schram and, upon vote, unanimously carried, the Board approved the Minutes of the January 13, 2020 Regular Meeting.

**May 5, 2020 Election:** Mr. Solin updated the Board on the May 5, 2020 Election. There were not more candidates for Directors than positions to be filled during the May 2020 Election, and therefore the election for the District Board of Directors has been cancelled.

**Board Vacancy:** Mr. Solin discussed with the Board the vacancy on the Board of Directors. There are no known candidates at this time.

**Position Paper on Short-Term Rentals within the District:** The Board reviewed the Position Paper on short-term rentals within the District.

Following discussion, upon motion duly made by Director Schram, seconded by Director Shinn and, upon vote, unanimously carried, the Board ratified approval of the Position Paper on short-term rentals within the District.

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### **COMMUNITY COMMENTS**

There were no community comments.

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## RECORD OF PROCEEDINGS

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### **FINANCIAL MATTERS**

**Claims:** Mr. Solin reviewed with the Board the payment of claims through the periods ending as follows:

Fund	Period ending January 20, 2020	Period ending Feb. 20, 2020	Period ending March 20, 2020
General	\$ 11,600.32	\$ 8,386.84	\$ 6,214.68
Capital	\$ -0-	\$ -0-	\$ -0-
Enterprise	\$ 5,837.50	\$ 25,131.10	\$ 13,091.70
<b>Total Claims</b>	<b>\$ 17,437.82</b>	<b>\$ 33,517.94</b>	<b>\$ 19,306.38</b>

Following review and discussion, upon motion duly made by Director Schram, seconded by Director Shinn and, upon vote, unanimously carried, the Board ratified approval of the payment of the claims, as presented.

**Unaudited Financial Statements:** Mr. Solin presented the unaudited financial statements and cash position schedule for the period ending March 31, 2020.

Following review and discussion, upon motion duly made by Director Schram, seconded by Director Shinn and, upon vote, unanimously carried, the Board accepted the unaudited financial statements and cash position schedule for the period ending March 31, 2020.

### **LEGAL MATTERS**

**Memorandum of Understanding (“MOU”) between the District and Lake Valley Golf Club (“LVGC”):** Mr. Solin updated the Board on the status of the Memorandum of Understanding with Lake Valley Golf Club. Director Pavlovic will be speaking with the LVGC management regarding the purpose of the MOU. No action was taken at this time.

**Election Resolution:** The Board discussed the Resolution Concerning a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made by Director Shinn, seconded by Director Schram and, upon vote, unanimously carried, the Board ratified approval of the Resolution Concerning a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

## RECORD OF PROCEEDINGS

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### ENGINEERING/ OPERATIONS MATTERS

**Operator's Report:** Ms. Begeman reported the status of Operations Matters to the Board.

**Engineer's Report:** Mr. Marcotte discussed his report on the status of Engineering Matters with the Board. A copy of the Report is attached hereto and incorporated herein by this reference.

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### OTHER MATTERS

**Emergency Declaration:** Mr. Solin discussed the possibility of an Emergency Declaration, if necessary, with the Board. No action was taken at this time.

**Mailer on Clogging:** Mr. Solin discussed sending a mailer on materials allowed to be flushed with the Board. No action was taken at this time, but Director Pavlovic reported that he would explore options for disseminating the report.

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### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Schram, seconded by Director Shinn and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL APRIL 13, 2020  
MEETING MINUTES OF THE FAIRWAYS METROPOLITAN DISTRICT BY  
THE BOARD OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
John Pavlovic

\_\_\_\_\_  
Gerald Schram

\_\_\_\_\_  
Judith Shinn



Fairways Metropolitan District  
Monthly Status Report  
Apr-20



1	Filter Performance Troubleshooting										<input checked="" type="checkbox"/>	Green	<input type="checkbox"/>	Yellow	<input type="checkbox"/>	Red	Direction	>>		
<u>Description</u>	Original Forecasted Completion	N/A											Revised Completion Date					Ongoing Work		
Work with Parkson on troubleshooting filter performance.																				
<u>Milestones</u>	<input type="checkbox"/> Plan	<input type="checkbox"/> Permit	<input type="checkbox"/> Proposal	<input type="checkbox"/> Award	<input type="checkbox"/> Materials	<input type="checkbox"/> Const.	<input checked="" type="checkbox"/>	Test	<input type="checkbox"/>	Approval	<input type="checkbox"/>	Warranty Through	N/A							
<u>Narrative</u>																				
<p><b>April 2020 Update:</b> Parkson's recommendation included the use of filter aids or a coagulant for removal of algae related TDS. ORC and Element have coordinated and planned an installation to test alum on TSS removal. Parkson has been contacted to provide recommendations on the alum feed system. We have provided hour estimates necessary to complete schematic layouts of the alum feed system for review by the district prior to installation and will move forward with that if approved.</p>																				

Fairways Metropolitan District  
Monthly Status Report  
Apr-20



2	Flow Meter Validation / Field Testing										X	Green		Yellow		Red		Direction	>>
Description	Original Forecasted Completion	N/A	Revised Completion Date															N/A	
Verify Flow Metering																			
Milestones	Plan	Permit	Proposal	Award	Materials	Const.	X	Test		Approval		Warranty Through	N/A						
Narrative																			
<p><b>April 2020 Update:</b> Nick and Gabby will be testing the flow meter in the pump building on April 15. We will test the system under various parameters including removing the potentially compromised meter at the golf club irrigation pond in order to determine its effect on pump head.</p>																			

Fairways Metropolitan District  
Monthly Status Report  
Apr-20



3	System Maps and As-Built Updates										<input checked="" type="checkbox"/>	Green	<input type="checkbox"/>	Yellow	<input type="checkbox"/>	Red	Direction	>>
Description	Original Forecasted Completion										Revised Completion Date							
Consolidate District As-Built Documentation																		
Milestones	Plan	<input checked="" type="checkbox"/>	Permit	<input type="checkbox"/>	Proposal	<input type="checkbox"/>	Award	<input type="checkbox"/>	Materials	<input type="checkbox"/>	Const.	<input type="checkbox"/>	Test	<input type="checkbox"/>	Approval	<input type="checkbox"/>	Warranty Through	N/A
Narrative																		
January 2020 Update: No update to report																		
April 2020 Update: We are available to meet onsite with John to assist in locating manholes that are buried, or assess manholes that require work. The information gained from the field visit will be updated on the system as-builts and maps.																		

Fairways Metropolitan District  
Monthly Status Report  
Apr-20



4	Sanitary Sewer Rehabilitation Plan										<input checked="" type="checkbox"/> Green	<input type="checkbox"/> Yellow	<input type="checkbox"/> Red	Direction	>>
Description	Original Forecasted Completion	October, 2019	Revised Completion Date										N/A		
Compile a Manhole Rehabilitation List and Obtain Cost for Repairs															
Milestones	<input checked="" type="checkbox"/> Plan	<input type="checkbox"/> Permit	<input type="checkbox"/> Proposal	<input type="checkbox"/> Award	<input type="checkbox"/> Materials	<input type="checkbox"/> Const.	<input type="checkbox"/> Test	<input type="checkbox"/> Approval	Warranty Through	N/A					
Narrative															
January 2020 Update: A list of sanitary sewer manhole repairs has been generated and sent to Guildner to obtain a quote. We have followed up with Guildner and have not received a quote.															
April 2020 Update: SDMS and ORC have coordinated with Guildner on 2020 camera work and sewer rehabilitation work.															

**ELEMENT**  
ENGINEERING LLC  
DILIGENT • INNOVATIVE • RESPONSIVE

5	Process and Instrumentation Control Diagram														X	Green		Yellow		Red	Direction	>>
<u>Description</u>	Original Forecasted Completion		N/A												Revised Completion Date				N/A			
Compile a process and instrumentation control diagram. Indicate key alarms and two-to-three cameras to aid remote operation.																						
<u>Milestones</u>	Plan	Permit	x	Proposal	Award	Materials	Const.	Test	Approval	Warranty Through	N/A											
<u>Narrative</u>																						
November 2019 Update: The district has expressed interest in the development of a process and instrumentation diagram. The purpose of this diagram would be to allow the installation of a system allowing remote view of alarms, potential cameras, and system status. Element can develop a PID diagram along with specifications allowing procurement and installation of this system. The fee for this work is estimated at \$4,500 to \$5,500. This would include the PID diagram, preliminary controls design, and documents to obtain costs for installation and startup of equipment.																						
December 2019 Update: No update to report.																						
January 2020 Update: No update to report																						
April 2020 Update: No update to report																						



Fairways Metropolitan District  
Monthly Status Report  
Apr-20



6	Facility Maintenance										X	Green	Yellow	Red	Direction	>>
Description	Original Forecasted Completion	N/A	Revised Completion Date										N/A			
Document Facility Maintenance Necessary During Site Visits																
Milestones	X	Plan	Permit	Proposal	Award	Materials	Const.	Test	Approval	Warranty Through	N/A					
<p><b>Narrative</b></p> <p><b>November 2019 Update:</b> The district has requested that Element provide a list of recommended facility maintenance during our periodic site visits to the WWTP. This does not include periodic inspections purely for maintenance documentation. Moving forward, any recommendations will be included in this report.</p> <p>Initial recommendations to address maintenance issues would be documentation during the operators visits. Documentation would include a brief observation report of any failures of any equipment, lighting, component, etc. This could be as easy as a short checklist once per week noting malfunctions or failures down to the changing of light bulbs or ballasts. Checks of meters, gauges, or other telemetry items should be made as well and added to the list. Finally, housekeeping items addressed such as removing old/replaced equipment/items would be reported. More expensive or time consuming items that would require board approval would be brought to the next board meeting. This may cost extra for operator time onsite.</p> <p><b>December 2019 Update:</b> No update to report.</p> <p><b>January 2020 Update:</b> No update to report</p> <p><b>April 2020 Update:</b> No update to report</p>																

Fairways Metropolitan District  
Monthly Status Report  
Apr-20



7	Solids Handling Strategy										X	Green		Yellow		Red		Direction	>>
Description	Original Forecasted Completion	N/A	Revised Completion Date										N/A						
Document solids handling strategies to improve TSS removal at the facility (not including filter as it is covered under another report).																			
Milestones	X	Plan		Permit		Proposal		Award		Materials		Const.		Test		Approval		Warranty Through	N/A
<p><b>Narrative</b></p> <p><b>November 2019 Update:</b> ORC is documenting reported TSS values to the board for regular tracking. The filter was designed as a failsafe if the settling and wetlands pond had to be taken offline. The board at the time was worried they had no backup if these cells were to be taken out of service. The filter project was generated out of this conversation. One suggestion that would be cost effective and easy would be to install floating covers on the settling pond. This would do what the duckweed does but throughout the year. Also, you wouldn't have a duckweed die-off with the resulting biological settling. Installation of covers requires a very simple site application, process design report, and plans and specs to CPDHE for approval. Proposal for engineering work can be provided at the request of the board. It is recommended that the Parkson complete their filter changes/upgrades BEFORE other improvements are installed to remove TSS.</p> <p><b>December 2019 Update:</b> No update to report.</p> <p><b>January 2020 Update:</b> No update to report</p> <p><b>April 2020 Update:</b> It is recommended that a discussion be held in the future about the possibility of budgeting for floating covers on the settling pond in future annual budgets.</p>																			

Fairways Metropolitan District  
Monthly Status Report  
Apr-20



8	General Engineering										X	Green		Yellow		Red		Direction	>>
Description	Original Forecasted Completion	N/A	Revised Completion Date										N/A						
General Requests for Engineering Tasks																			
Milestones	X	Plan		Permit		Proposal		Award		Materials		Const.		Test		Approval		Warranty Through	N/A
Narrative																			
November 2019 Update: No items to report.																			
December 2019 Update: No items to report.																			
January 2020 Update: No update to report.																			
April 2020 Update: Element has provided an hour estimate to provide layouts to follow for relocating aerators. This would be submitted to the district for review and approval prior to the relocation work. We will proceed with this work if approved.																			



**RESOLUTION OF DESIGNATED ELECTION OFFICIAL  
REGARDING CANCELLATION OF ELECTION AND  
DECLARATION DEEMING CANDIDATES ELECTED**

FAIRWAYS METROPOLITAN DISTRICT  
Boulder County, Colorado

A. The Designated Election Official of the Fairways Metropolitan District (“**District**”) has been duly authorized by the Board of Directors of the District to cancel the election and declare candidates elected at the close of business on the sixty-third (63<sup>rd</sup>) day before the election to be conducted on May 5, 2020, pursuant to that certain Resolution Calling Election attached hereto as **Exhibit A**.

B. On the sixty-third (63<sup>rd</sup>) day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.

NOW, THEREFORE, be it resolved by the Designated Election Official of the District that:

1. The regular election to be conducted on May 5, 2020, is hereby cancelled pursuant to Section 1-13.5-513, C.R.S.
2. The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Gerald Schram	Second Regular Election, May 2023
Wilmer Wilson	Second Regular Election, May 2023
Vacant	Next Regular Election, May 2022
Vacant	Next Regular Election, May 2022

DATED this 3<sup>rd</sup> day of March, 2020.

FAIRWAYS METROPOLITAN DISTRICT

By: \_\_\_\_\_

David Solin, Designated Election Official  
Fairways Metropolitan District  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228  
Phone: (303) 987-0835

**EXHIBIT A**

Resolution Calling Election

**RESOLUTION OF THE  
BOARD OF DIRECTORS OF THE  
FAIRWAYS METROPOLITAN DISTRICT  
CONCERNING REGULAR ELECTION TO BE HELD MAY 5, 2020**

WHEREAS, the Fairways Metropolitan District of Boulder County, State of Colorado (the "District"), is a duly organized and existing quasi-municipal corporation and political subdivision of the State of Colorado, existing and operating under and by virtue of the Constitution and laws of the State of Colorado, including but not limited to Parts 1 through 16 of Article 1 of Title 32, C.R.S., as amended (the "Special District Act"); and

WHEREAS, a regular election is to be held on the Tuesday succeeding the first Monday of May in every even-numbered year, for the purpose of electing members to the Board of Directors of the Fairways Metropolitan District (the "Board"); and

WHEREAS, two (2) three-year terms and two (2) two-year terms shall be open at the regular election to be held on May 5, 2020, by the District; and

WHEREAS, accordingly, the Board of Directors of the District has determined to submit to the electors of the District, at the regular biennial local district election to be held on May 5, 2020, the election of directors; and

WHEREAS, a designated election official shall be appointed by the Board of Directors to be responsible for conducting the election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fairways Metropolitan District of Boulder County, State of Colorado:

1. That a regular election to be conducted by mail ballot be called and held within the District on Tuesday, the 5th day of May, 2020, at which election the electors shall vote for up to four (4) Directors;

2. That the terms of office for Gerald Schram and Judith Shinn shall expire following the regular election to be held on the 5th day of May, 2020, and there are two vacancies on the Board;

3. That David Solin of Special District Management Services, Inc., is hereby appointed to serve as the Designated Election Official for the conduct of the election. The Designated Election Official is hereby granted the authority to undertake all reasonable actions that are necessary or convenient for the conduct of the election;

4. That the election shall be held and conducted in accordance with the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S., as supplemented by Const. Colo. Art. X, Sec. 20, the Uniform Election Code of 1992 as amended, the applicable Current Rules and Regulations Governing Election Procedures of the Secretary of State of the state of Colorado, and Title 32, Article 1, Part 8, Colorado Revised Statutes, C.R.S. 32-1-305.5, and other relevant

Colorado and federal law (collectively, hereafter all such law and rules shall be referred to as the "Relevant Law");

5. That a nomination for Director to serve for any designated vacancy shall be made by written self-nomination and acceptance form or letter and filed with the Designated Election Official not less than sixty-seven (67) days prior to the date of said election and that an affidavit of intent to be a write-in candidate for Director to serve for any designated vacancy shall be filed with the Designated Election Official not less than sixty-four (64) days prior to the date of said election;

6. That pursuant to the provisions of Section 1-13.5-513, C.R.S., as amended, if the only matter before the eligible electors is the election of persons to office and if, at the close of business on the sixty-third day before the election or any time thereafter, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent, the Designated Election Official is authorized and instructed to cancel the election and declare the candidates elected. If the election is canceled, the Board of Directors by delegation to the Designated Election Official herein shall: (a) provide notice by publication of the cancellation of the election; (b) post a copy of the published notice at each polling location within the District, at the office of the Designated Election Official, and at the office of the clerk and recorder for each county in which the District is located; and (c) file a copy of the published notice with the Division of Local Government. The Board of Directors shall notify the candidates that the election was canceled and that they were elected by acclamation. If the election is canceled, the canvass board will not meet, and the Designated Election Official shall note the cancellation on the Certificate of Election and shall indicate which candidates were elected by acclamation;

7. That no person will receive a ballot in this election unless the person is an eligible elector of the District, as defined in Section 32-1-103(5), Colorado Revised Statutes;

8. That the Designated Election Official shall file within 30 days after the election, the results of election, including the business address, the telephone number, and the name of the contact person of the District with the Division of Local Government. (C.R.S. 1-11-103(3), 32-1-104(1))

9. That should any part or provision of this Resolution be adjudged unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the intention that the various provisions hereof are severable;

10. That all acts, orders, resolutions, or parts thereof, of the District that are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict;

11. That the provisions of this Resolution shall take effect immediately;

12. That all past actions taken by the District, its Board members individually and collectively, officers, agents, attorneys, and consultants directed toward the lawful conduct of the election were done in the best interests of the District and said actions are hereby ratified and confirmed as if originally taken with full authority.

13. That in the event of a conflict between this Resolution and Relevant Law, the Relevant Law shall control.

ADOPTED AND APPROVED this 22 day of January, 2020

FAIRWAYS METROPOLITAN DISTRICT

By:   
President

ATTEST:

  
Secretary

**NOTICE OF CANCELLATION**  
**and**  
**CERTIFIED STATEMENT OF RESULTS**  
§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

**NOTICE IS HEREBY GIVEN** by the Fairways Metropolitan District, Boulder County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 5, 2020 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Gerald Schram	Second Regular Election, May 2023
Wilmer Wilson	Second Regular Election, May 2023
Vacant	Next Regular Election, May 2022
Vacant	Next Regular Election, May 2022

/s/ David Solin  
(Designated Election Official)

Contact Person for the District:	David Solin
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	dsolin@sdmsi.com



**RESOLUTION NO. 2020 - 10 - \_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE FAIRWAYS METROPOLITAN DISTRICT  
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND  
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fairways Metropolitan District (the "**District**"), Boulder County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2021 shall be held on January 11, 2021, April 12, 2021, July 12, 2021 and October 11, 2021 at 5:30 p.m., at the Lake Valley Golf Club, 4400 Lake Valley Drive in Boulder County, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) Lake Valley Mailbox Board – All four Bulletin Boards: Fairways Drive, Niblick Drive, Golf Club Drive and Spyglass Lane, Longmont, Colorado

9. Gabi Begeman, or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE FOLLOWS]**



**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING  
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR  
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on OCTOBER 12, 2020.

**FAIRWAYS METROPOLITAN  
DISTRICT**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary



Fairways Metropolitan District  
July-20

	General	Capital	Enterprise	Totals
Disbursements	\$ 4,145.18	\$ -	\$ 7,686.34	\$ 11,831.52
Payroll				\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 4,145.18	\$ -	\$ 7,686.34	\$ 11,831.52

Fairways  
July-20

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Lake Valley Golf Club	20-Jul	7/15/2020	7/15/2020	\$ 550.00	LVGC Maintenance Agreement	4-786
ORC Water Professionals, Inc	222484	6/30/2020	7/15/2020	\$ 712.00	Permits and Testing	4-780
ORC Water Professionals, Inc	222484	6/30/2020	7/15/2020	\$ 2,761.10	Plant Maintenance & Repair	4-750
ORC Water Professionals, Inc	222484	6/30/2020	7/15/2020	\$ 1,082.55	Plant Operator	4-755
Special District Management Services	6/30/2020	6/30/2020	7/15/2020	\$ 70.00	Election	1-635
Special District Management Services	6/30/2020	6/30/2020	7/15/2020	\$ 142.18	Supplies and Expenses	1-690
Special District Management Services	6/30/2020	6/30/2020	7/15/2020	\$ 363.00	Billing Service	1-616
Special District Management Services	6/30/2020	6/30/2020	7/15/2020	\$ 2,226.00	Accounting	1-612
Special District Management Services	6/30/2020	6/30/2020	7/15/2020	\$ 1,238.00	Administrative Services	1-614
Spencer Fane, LLP	750073	6/30/2020	7/15/2020	\$ 106.00	Legal	1-675
* Xcel Energy	688918150	6/16/2020	7/15/2020	\$ 2,580.69	Utilities	4-790
				\$ 11,831.52		

Fairways Metropolitan District  
August-20

	General	Capital	Enterprise	Totals
Disbursements	\$ 4,009.31	\$ -	\$ 19,999.63	\$ 24,008.94
Payroll				\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 4,009.31	\$ -	\$ 19,999.63	\$ 24,008.94

Fairways  
August-20

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
CO Dept of Public H & E	WU211109603	7/15/2020	8/13/2020	\$ 1,025.00	Permits and Testing	4-780
CO Dept of Public H & E	WU211109558	7/15/2020	8/13/2020	\$ 1,501.00	Permits and Testing	4-780
Canyon Systems Inc	14554	6/25/2020	8/13/2020	\$ 2,705.60	Plant & System Upgrades	4-810
CenturyLink	0312 - Closing	7/2/2020	8/13/2020	\$ 5.53	Utilities	4-790
DPC Industries, Inc	DE73000535-20	6/30/2020	8/13/2020	\$ 140.00	Chemicals	4-782
Dan's Custom Construction, Inc.	597	7/30/2020	8/13/2020	\$ 6,640.00	Plant Maintenance & Repair	4-750
Element Engineering, LLC	13	7/2/2020	8/13/2020	\$ 140.00	Engineering	4-677
Freedom Mailing Service, Inc	38579	7/7/2020	8/13/2020	\$ 190.37	Billing Service	1-616
Lake Valley Golf Club	20-Aug	8/13/2020	8/13/2020	\$ 550.00	LVGC Maintenance Agreement	4-786
Mr. Handyman	213265771	7/16/2020	8/13/2020	\$ 1,712.00	Plant Maintenance & Repair	4-750
ORC Water Professionals, Inc	222650	7/31/2020	8/13/2020	\$ 603.00	Permits and Testing	4-780
ORC Water Professionals, Inc	222650	7/31/2020	8/13/2020	\$ 670.58	Plant Maintenance & Repair	4-750
ORC Water Professionals, Inc	222650	7/31/2020	8/13/2020	\$ 1,082.55	Plant Operator	4-755
Special District Management Services	7/31/2020	7/31/2020	8/13/2020	\$ 160.94	Supplies and Expenses	1-690
Special District Management Services	7/31/2020	7/31/2020	8/13/2020	\$ 486.50	Billing Service	1-616
Special District Management Services	7/31/2020	7/31/2020	8/13/2020	\$ 1,414.00	Accounting	1-612
Special District Management Services	7/31/2020	7/31/2020	8/13/2020	\$ 1,422.50	Administrative Services	1-614
Spencer Fane, LLP	755601	8/7/2020	8/13/2020	\$ 335.00	Legal	1-675
UNCC	220060513	6/30/2020	8/13/2020	\$ 16.39	Utilities	4-790
UNCC	220070515	7/31/2020	8/13/2020	\$ 17.88	Utilities	4-790
Varga, John & Catherine	1915809	8/13/2020	8/13/2020	\$ 200.00	Sewer Service Fees	4-531
Xcel Energy	692830702	7/16/2020	8/13/2020	\$ 2,990.10	Utilities	4-790
				\$ 24,008.94		

Fairways Metropolitan District  
September-20

	General	Capital	Enterprise	Totals
Disbursements	\$ 2,798.14	\$ -	\$ 14,721.58	\$ 17,519.72
Payroll				\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 2,798.14	\$ -	\$ 14,721.58	\$ 17,519.72

Fairways Metropolitan District  
September-20

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Badger Meter Inc	80059048	8/31/2020	9/16/2020	\$ 42.72	Plant Maintenance & Repair	4-750
CenturyLink	0312 - Revised	8/7/2020	9/16/2020	\$ 2.85	Utilities	4-790
DPC Industries, Inc	DE73000634-20	7/31/2020	9/16/2020	\$ 140.00	Chemicals	4-782
DPC Industries, Inc	737003497-20	8/12/2020	9/16/2020	\$ 1,446.03	Chemicals	4-782
Green Valley Landscape	218897	6/30/2020	9/16/2020	\$ 873.00	Plant Maintenance & Repair	4-750
Ingersoll-Rand Industrial U.S. Inc.	30850908	8/31/2020	9/16/2020	\$ 336.00	Plant Maintenance & Repair	4-750
Lake Valley Golf Club	20-Sept.	9/16/2020	9/16/2020	\$ 550.00	LVGC Maintenance Agreement	4-786
ORC Water Professionals, Inc	222803	8/31/2020	9/16/2020	\$ 1,081.00	Permits and Testing	4-780
ORC Water Professionals, Inc	222803	8/31/2020	9/16/2020	\$ 160.00	Plant Maintenance & Repair	4-750
ORC Water Professionals, Inc	222803	8/31/2020	9/16/2020	\$ 3,568.60	Plant & System Upgrades	4-810
ORC Water Professionals, Inc	222803	8/31/2020	9/16/2020	\$ 1,082.55	Plant Operator	4-755
ORC Water Professionals, Inc	222803	8/31/2020	9/16/2020	\$ 31.80	Chemicals	4-782
Special District Management Services	8/31/2020	8/31/2020	9/16/2020	\$ 12.39	Supplies and Expenses	1-690
Special District Management Services	8/31/2020	8/31/2020	9/16/2020	\$ 512.50	Billing Service	1-616
Special District Management Services	8/31/2020	8/31/2020	9/16/2020	\$ 812.00	Accounting	1-612
Special District Management Services	8/31/2020	8/31/2020	9/16/2020	\$ 1,396.50	Administrative Services	1-614
UNCC	220080528	8/31/2020	9/16/2020	\$ 7.45	Utilities	4-790
Upper Case Printing, Ink.	16171	8/31/2020	9/16/2020	\$ 64.75	Billing Service	1-616
Water Technology Group	5487898	8/31/2020	9/16/2020	\$ 731.25	Plant & System Upgrades	4-810
Water Technology Group	5487803	8/28/2020	9/16/2020	\$ 1,150.62	Plant & System Upgrades	4-810
Water Technology Group	5487008	8/17/2020	9/16/2020	\$ 746.15	Plant & System Upgrades	4-810
Xcel Energy	696932054	8/17/2020	9/16/2020	\$ 2,771.56	Utilities	4-790

\$ 17,519.72



**FAIRWAYS METROPOLITAN DISTRICT**  
**Schedule of Cash Position**  
**September 30, 2020**

	<u>Rate</u>	<u>Operating</u>	<u>Enterprise</u>	<u>Total</u>
<b>Checking:</b>				
Cash in Checking-1st Bank		\$ (36,193.68)	\$ 72,569.73	\$ 36,376.05
<b>Investments:</b>				
Cash in Bank-ColoTrust	0.24%	91,644.70	134,740.27	226,384.97
1st Bank Liquid Asset	0.03%	81,225.50	51,385.27	132,610.77
<b>TOTAL FUNDS:</b>		<u>\$ 136,676.52</u>	<u>\$ 258,695.27</u>	<u>\$ 395,371.79</u>

**2020 Mill Levy Information**

Certified General Fund Mill Levy	3.545
Certified Debt Service Fund Mill Levy	<u>0.000</u>
Total Certified Mill Levy	<u><u>3.545</u></u>

**Board of Directors**

- \* John Pavlovic
- \* Gerald Schram
- Wilmer Wilson

\* Authorized signer on checking account

**FAIRWAYS METROPOLITAN DISTRICT**

**FINANCIAL STATEMENTS**

**September 30, 2020**

**FAIRWAYS METROPOLITAN DISTRICT**  
**Combined Balance Sheet- All Fund Types**  
**September 30, 2020**

	<b>General</b>	<b>Enterprise</b>	<b>Total</b>
<b>Assets</b>			
Cash in Checking-1st Bank	\$ (36,194)	\$ 72,570	\$ 36,376
Cash in Bank-ColoTrust	91,645	134,740	226,385
1st Bank Liquid Asset	81,226	51,385	132,611
Accounts Receivable-Customer	-	16,631	16,631
Property Taxes Receivable	457	-	457
	<u>137,133</u>	<u>275,326</u>	<u>412,460</u>
<b>Capital Assets</b>			
Sewer Treatment System	-	4,075,749	4,075,749
Accumulated Depreciation	-	(1,729,275)	(1,729,275)
	<u>-</u>	<u>2,346,474</u>	<u>2,346,474</u>
<b>Total Assets</b>	<u><u>\$ 137,133</u></u>	<u><u>\$ 2,621,800</u></u>	<u><u>\$ 2,758,933</u></u>
<b>Liabilities</b>			
Payroll Taxes Payable	\$ 23	\$ -	\$ 23
2013 CWPA Loan	-	1,055,494	1,055,494
2016 CWPA Loan	-	282,200	282,200
2018 CWPA Loan	-	166,500	166,500
	<u>23</u>	<u>1,504,194</u>	<u>1,504,217</u>
<b>Deferred Inflows of Resources</b>			
Deferred Property Taxes	457	-	457
	<u>457</u>	<u>-</u>	<u>457</u>
<b>Fund Balance</b>			
Fund Balance	113,578	1,012,743	1,126,321
Current Year Earnings	23,076	104,863	127,939
	<u>136,654</u>	<u>1,117,606</u>	<u>1,254,260</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u><u>\$ 137,133</u></u>	<u><u>\$ 2,621,800</u></u>	<u><u>\$ 2,758,933</u></u>

**FAIRWAYS METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 9 Months Ending,**  
**September 30, 2020**  
**General Fund**

	<b>2019 Actual</b>	<b>Period Actual</b>	<b>2020 YTD Actual</b>	<b>Budget</b>	<b>Favorable (Unfavorable) Variance</b>	<b>% of Budget</b>
<b>Revenues</b>						
Property Taxes	\$ 71,876	\$ 23,470	\$ 76,896	\$ 77,353	\$ (457)	99.4%
Specific Ownership Taxes	3,831	949	2,344	3,868	(1,524)	60.6%
Interest Income	1,763	80	693	1,000	(307)	69.3%
<b>Total Revenues</b>	<u>77,470</u>	<u>24,499</u>	<u>79,932</u>	<u>82,221</u>	<u>(2,289)</u>	<u>97.2%</u>
<b>Expenditures</b>						
Accounting	20,745	4,452	14,928	15,000	72	99.5%
Administrative Services	24,861	4,057	14,969	25,000	10,031	59.9%
Audit	4,714	-	5,302	5,000	(302)	106.0%
Billing	7,134	1,617	4,211	6,500	2,289	64.8%
Director's Fees	1,700	-	300	2,000	1,700	15.0%
Election	-	70	1,069	1,250	181	85.5%
Insurance & Bonds	4,003	-	6,316	4,000	(2,316)	157.9%
Legal	7,016	441	6,383	7,000	617	91.2%
Payroll Taxes	178	-	-	153	153	0.0%
Miscellaneous	636	349	1,020	500	(520)	204.0%
Supplies and Expenses	1,937	316	1,204	2,500	1,296	48.2%
Treasurer's Fees	1,079	352	1,154	1,160	6	99.5%
Contingency	-	-	-	20,000	20,000	0.0%
<b>Total Expenditures</b>	<u>74,003</u>	<u>11,654</u>	<u>56,856</u>	<u>90,063</u>	<u>33,207</u>	<u>63.1%</u>
Excess (Deficiency) of Revenues Over Expenditures	3,467	12,844	23,076	(7,842)	30,918	
Beginning Fund Balance	88,161	123,809	113,578	86,620	26,958	
<b>Ending Fund Balance</b>	<u>\$ 91,628</u>	<u>\$ 136,654</u>	<u>\$ 136,654</u>	<u>\$ 78,778</u>	<u>\$ 57,876</u>	

**FAIRWAYS METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Funds Available - Budget and Actual**  
**For the 9 Months Ending,**  
**September 30, 2020**  
**Enterprise Fund**

	2019 Actual	Period Actual	2020 YTD Actual	Budget	Favorable (Unfavorable) Variance	% of Budget
<b>Revenues</b>						
Sewer Service Fees	\$ 272,800	\$ 72,315	\$ 211,824	\$ 278,730	\$ (66,906)	76.0%
Interest	6,686	125	1,203	3,000	(1,797)	40.1%
Other Income	3,273	-	-	-	-	-
<b>Total Revenues</b>	<u>282,759</u>	<u>72,440</u>	<u>213,027</u>	<u>281,730</u>	<u>(68,703)</u>	<u>75.6%</u>
<b>Expenditures</b>						
Engineering	30,964	140	7,226	15,000	7,774	48.2%
Insurance & Bonds	3,087	-	3,695	4,250	555	87.0%
Supplies and Expenses	-	-	-	500	500	0.0%
Treasurer's Fees	-	-	-	500	500	0.0%
Plant Maintenance & Repair	10,626	13,195	40,256	15,000	(25,256)	268.4%
Plant Operator	12,991	3,248	7,882	15,000	7,118	52.5%
Permits and Testing	10,666	4,922	8,793	9,500	707	92.6%
Chemicals	6,468	1,758	4,811	8,250	3,439	58.3%
Jetting & Televising	12,154	-	-	17,000	17,000	0.0%
Collection System Repair	-	-	-	15,000	15,000	0.0%
LVGC Maintenance Agreement	6,600	1,650	4,950	6,600	1,650	75.0%
Utilities	35,470	8,392	21,649	35,000	13,351	61.9%
Contingency	-	-	-	10,000	10,000	0.0%
State Loan Payment	-	-	-	-	-	0.0%
State Loan Interest	-	-	-	-	-	0.0%
2013 CWSA Loan Principal	-	-	-	78,185	78,185	0.0%
2016 CWSA Loan Principal	-	-	-	16,600	16,600	0.0%
2018 CWSA Loan Principal	-	-	-	9,250	9,250	0.0%
Plant & System Upgrades	-	8,902	8,902	20,000	11,098	44.5%
Capital Imp Collection System	-	-	-	-	-	0.0%
Depreciation Expense	116,190	-	-	-	-	-
Capital Contingency	-	-	-	15,000	15,000	0.0%
<b>Total Expenditures</b>	<u>245,216</u>	<u>42,208</u>	<u>108,164</u>	<u>290,635</u>	<u>182,471</u>	<u>37.2%</u>
Excess (Deficiency) of Revenues Over Expenditures	37,543	30,232	104,863	(8,905)	113,768	
Beginning Funds Available	997,150	1,087,374	1,012,743	207,546	805,197	
<b>Ending Funds Available</b>	<u>\$ 1,034,693</u>	<u>\$ 1,117,606</u>	<u>\$ 1,117,606</u>	<u>\$ 198,641</u>	<u>\$ 918,965</u>	

**FAIRWAYS  
METROPOLITAN DISTRICT**

**Financial Statements**

**December 31, 2019**

# FAIRWAYS METROPOLITAN DISTRICT

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Dazzio & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fairways Metropolitan District  
Boulder County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Fairways Metropolitan District as of and for the year ended December 31, 2019, 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, the business-type activities, and each major fund of Fairways Metropolitan District, as of December 31, 2019, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fairways Metropolitan District's financial statements. The Supplementary Information and the Other Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplementary Information 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 Supplementary 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Dassio & Associates, P.C.*

March 23, 2020

## **BASIC FINANCIAL STATEMENTS**

**FAIRWAYS METROPOLITAN DISTRICT**

**STATEMENT OF NET POSITION**

**December 31, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Investments	\$ 116,211	\$ 236,940	\$ 353,151
Accounts Receivable	2,510	7,489	9,999
Receivable from County Treasurer	341	-	341
Prepaid Expense	395	-	395
Property Taxes Receivable	77,353	-	77,353
Capital Assets, Net of Accumulated Depreciation	-	2,346,474	2,346,474
<b>Total Assets</b>	<b>196,810</b>	<b>2,590,903</b>	<b>2,787,713</b>
<b>Liabilities</b>			
Accounts Payable	27,829	-	27,829
Noncurrent Liabilities:			
Due Within One Year	-	104,034	104,034
Due In More Than One Year	-	1,452,176	1,452,176
<b>Total Liabilities</b>	<b>27,829</b>	<b>1,556,210</b>	<b>1,584,039</b>
<b>Deferred Inflows of Resources</b>			
Property Taxes	77,353	-	77,353
<b>Net Position</b>			
Net Investment in Capital Assets	-	790,264	790,264
Restricted			
Emergency Reserves	2,400	-	2,400
Operation and Maintenance Reserve	-	32,257	32,257
Unrestricted	89,228	212,172	301,400
<b>Total Net Position</b>	<b>\$ 91,628</b>	<b>\$ 1,034,693</b>	<b>\$ 1,126,321</b>

The notes to the financial statements are an integral part of this statement.

**FAIRWAYS METROPOLITAN DISTRICT**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

<u>Function/Program Activities</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expense</u>	<u>Permits, Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
General Government	\$ 74,003	\$ -	\$ -	\$ -	\$ (74,003)	\$ -	\$ (74,003)
<b>Business-type Activities</b>							
Sewer	245,216	272,800	-	-	-	27,584	27,584
<b>Total</b>	<u>\$ 319,219</u>	<u>\$ 272,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(74,003)</u>	<u>27,584</u>	<u>(46,419)</u>
General Revenues:							
Property Taxes - Operating					71,876	-	71,876
Specific Ownership Taxes					3,831	-	3,831
Unrestricted Investment Earnings					1,763	6,686	8,449
Miscellaneous					-	3,273	3,273
Total General Revenues					<u>77,470</u>	<u>9,959</u>	<u>87,429</u>
Changes In Net Position					3,467	37,543	41,010
Net Position - Beginning					<u>88,161</u>	<u>997,150</u>	<u>1,085,311</u>
Net Position - Ending					<u>\$ 91,628</u>	<u>\$ 1,034,693</u>	<u>\$ 1,126,321</u>

The notes to the financial statements are an integral part of this statement.

**FAIRWAYS METROPOLITAN DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUND  
December 31, 2019**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Investments	\$ 116,211
Receivable from County Treasurer	341
Accounts Receivable	2,510
Prepaid Expenditures	395
Property Taxes Receivable	77,353
<b>Total Assets</b>	<b>\$ 196,810</b>
<b>Liabilities</b>	
Accounts Payable	\$ 27,829
<b>Deferred Inflows of Resources</b>	
Property Taxes	77,353
<b>Fund Balance</b>	
Nonspendable	395
Restricted for Emergency Reserves	2,400
Assigned for Subsequent Year's Expenditures	7,843
Unassigned	80,990
<b>Total Fund Balance</b>	<b>91,628</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 196,810</b>

The notes to the financial statements are an integral part of this statement.

**FAIRWAYS METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUND**

**For the Year Ended December 31, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Property Taxes	\$ 71,876
Specific Ownership Taxes	3,831
Net Investment Income	1,763
<b>Total Revenues</b>	<b>77,470</b>
<b>Expenditures</b>	
Current	
Accounting	20,745
Administrative services	24,861
Audit	4,714
Billing services	7,134
Directors' fees	1,700
Insurance	4,003
Legal	7,016
Supplies and expenses	1,937
County Treasurer's fees	1,079
Miscellaneous	814
<b>Total Expenditures</b>	<b>74,003</b>
<b>Net Change in Fund Balance</b>	<b>3,467</b>
<b>Fund Balance - Beginning</b>	<b>88,161</b>
<b>Fund Balance - Ending</b>	<b>\$ 91,628</b>

The notes to the financial statements are an integral part of this statement.

**FAIRWAYS METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

**For the Year Ended December 31, 2019**

**(With Comparative Actual Totals for the Year Ended December 31, 2018)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2018 Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 71,876	\$ 71,876	\$ -	\$ 74,809
Specific Ownership Taxes	4,313	3,831	(482)	3,989
Net Investment Income	700	1,763	1,063	1,164
<b>Total Revenues</b>	<b>76,889</b>	<b>77,470</b>	<b>581</b>	<b>79,962</b>
<b>Expenditures</b>				
Current				
Accounting	15,514	20,745	(5,231)	21,107
Administrative services	28,500	24,861	3,639	33,084
Audit	8,000	4,714	3,286	7,913
Billing services	6,500	7,134	(634)	8,097
Directors' fees	3,000	1,700	1,300	2,600
Elections	-	-	-	1,290
Insurance	6,500	4,003	2,497	6,032
Legal	7,000	7,016	(16)	11,467
Supplies and expenses	3,000	1,937	1,063	2,804
County Treasurer's fees	1,078	1,079	(1)	1,123
Miscellaneous	230	814	(584)	1,582
Contingency	20,000	-	20,000	-
<b>Total Expenditures</b>	<b>99,322</b>	<b>74,003</b>	<b>25,319</b>	<b>97,099</b>
<b>Net Change in Fund Balance</b>	<b>(22,433)</b>	<b>3,467</b>	<b>25,900</b>	<b>(17,137)</b>
<b>Fund Balance - Beginning</b>	<b>101,291</b>	<b>88,161</b>	<b>(13,130)</b>	<b>105,298</b>
<b>Fund Balance - Ending</b>	<b>\$ 78,858</b>	<b>\$ 91,628</b>	<b>\$ 12,770</b>	<b>\$ 88,161</b>

The notes to the financial statements are an integral part of this statement.

**FAIRWAYS METROPOLITAN DISTRICT**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUND**

**December 31, 2019**

	<b>Enterprise Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 236,940
Accounts Receivable - Service Fees	7,489
Total Current Assets	<u>244,429</u>
<b>Capital Assets</b>	
Sewer System	4,075,749
Accumulated Depreciation	(1,729,275)
Total Capital Assets	<u>2,346,474</u>
Total Assets	<u>2,590,903</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Loans Payable - Current	104,034
Total Current Liabilities	<u>104,034</u>
Noncurrent Liabilities	
Loans Payable	1,452,176
Total Noncurrent Liabilities	<u>1,452,176</u>
Total Liabilities	<u>1,556,210</u>
<b>Net Position</b>	
Net Investment in Capital Assets	790,264
Restricted - Operation and Maintenance Reserve	32,257
Unrestricted	212,172
<b>Total Net Position</b>	<u><u>\$ 1,034,693</u></u>

The notes to the financial statements are an integral part of this statement.



**FAIRWAYS METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**PROPRIETARY FUND**

**For the Year Ended December 31, 2019**

	<b>Enterprise Fund</b>
<b>Operating Revenues</b>	
Sewer Service Fees	<u>\$        272,800</u>
<b>Operating Expense</b>	
Engineering	30,964
Insurance	3,087
Plant Repair and Maintenance	10,626
Plant Operator	12,991
Permits and Testing	10,666
Chemicals	6,468
Jetting and Televising	12,154
LVGC Maintenance Agreement	6,600
Utilities	35,470
Depreciation	<u>116,190</u>
Total Operating Expenses	<u>245,216</u>
<b>Operating Income</b>	<u>27,584</u>
<b>Nonoperating Revenues</b>	
Net Investment Income	6,686
Miscellaneous Revenue	<u>3,273</u>
Total Nonoperating Revenues	<u>9,959</u>
<b>Change In Net Position</b>	<u>37,543</u>
<b>Net Position - Beginning</b>	<u>997,150</u>
<b>Net Position - Ending</b>	<u><u>\$        1,034,693</u></u>

The notes to the financial statements are an integral part of this statement.

**FAIRWAYS METROPOLITAN DISTRICT**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the Year Ended December 31, 2019**

	<b>Enterprise Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 272,746
Cash Payments to Suppliers for Goods and Services	(129,026)
Other Cash Received	3,273
Net Cash Provided by Operating Activities	<u>146,993</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and Construction of Capital Assets	(21,875)
Principal Paid on Long-Term Debt	(104,035)
Net Cash Required by Capital and Related Financing Activities	<u>(125,910)</u>
<b>Cash Flows from Investing Activities</b>	
Net Investment Income	<u>6,686</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	27,769
<b>Cash and Cash Equivalents - Beginning</b>	209,171
<b>Cash and Cash Equivalents - Ending</b>	<u><u>\$ 236,940</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income	<u>\$ 27,584</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	116,190
Miscellaneous Nonoperating Income	3,273
Effect of Changes In Operating Assets and Liabilities	
Accounts Receivable	(54)
Total Adjustments	<u>119,409</u>
Net Cash Provided by Operating Activities	<u><u>\$ 146,993</u></u>

The notes to the financial statements are an integral part of this statement.

## **FAIRWAYS METROPOLITAN DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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#### **NOTE 1 – DEFINITION OF REPORTING ENTITY**

Fairways Metropolitan District (District), a quasi-municipal corporation, was originally organized on July 9, 1964, as the Fairways Water and Sanitation District. The District was established to provide financing for the design, acquisition and construction of water and sanitation services. Pursuant to a special election the District was also empowered to provide street improvements, safety control, television relay, mosquito control and parks and recreation improvements. Subsequent to this election, the District converted to the Fairways Metropolitan District on September 9, 1985. The District is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Boulder County, Colorado.

The District has no employees and all operations and administrative functions are contracted.

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

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

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to significant extent on fees and charges for support.

## **FAIRWAYS METROPOLITAN DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the District being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## FAIRWAYS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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The District reports the following major governmental fund:

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

The District reports the following major proprietary fund:

The *Enterprise Fund* accounts for the sewer operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. Operating expenses for enterprise funds include repairs and maintenance on the sewer collection systems, administrative expenses and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses. The District's enterprise fund recognizes as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the sewer distribution systems.

#### **Budgets**

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

#### **Pooled Cash and Investments**

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

## FAIRWAYS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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Cash and investments are presented in the basic financial statements at fair value.

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

#### Property Taxes

Property taxes are levied by the District's Board of Directors. Property taxes are levied by December 15 of each year and are due in full the following year. The lien date is January 1 following the levy. Taxes may be paid in two equal installments, on or before February 28 and June 15; or in full, on or before April 30. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. Property taxes are collected by Boulder County and then remitted, net of a 1% collection fee, to the District. Taxes are recorded as a receivable and a deferred inflow of resources when levied, and subsequently recorded as revenue in the year they are available or collected.

#### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The District currently capitalizes expenditures that cost more than \$5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

Capital assets of the District are depreciated, using the straight-line method over their estimated useful lives:

Sewer system	25 years
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**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue for property taxes to be collected in the subsequent period and therefore not yet available.

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

**Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

## FAIRWAYS METROPOLITAN DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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#### Net Position and Fund Equity

##### Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Unrestricted Net Position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

##### Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.



FAIRWAYS METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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The District reports the following Restricted Fund Balance:

*Restricted for TABOR Emergencies*

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9).

*Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

The District reports the following Assigned Fund Balance:

*Assigned for Subsequent Year's Expenditures*

Represents amounts assigned by the Board of Directors for the portion of the year-end fund balance which is appropriated in the subsequent year's budget.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2019**

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**NOTE 3 – CASH DEPOSITS AND INVESTMENTS**

The District's deposits and investments are presented as follows at December 31, 2019:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash	\$ 25,193	\$ 51,365	\$ 76,558
Investments	91,018	185,575	276,593
Total	<u>\$ 116,211</u>	<u>\$ 236,940</u>	<u>\$ 353,151</u>

**Cash Deposits**

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2019, the District's bank deposits amounting to \$76,558 were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

**Investments**

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

The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of US local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2019, the District had the following investments:

<b>Investment</b>	<b>Maturity</b>	<b>Amount</b>
Colorado Government Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 Days	<u>\$ 276,593</u>

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net

**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b><u>Business-type Activities</u></b>				
Capital Assets Being Depreciated				
Sewer System	\$ 4,055,533	\$ 20,216	\$ -	\$ 4,075,749
Less Accumulated Depreciation for				
Sewer System	(1,613,085)	(116,190)	-	(1,729,275)
Total Capital Assets Being				
Depreciated, Net	<u>\$ 2,442,448</u>	<u>\$ (95,974)</u>	<u>\$ -</u>	<u>\$ 2,346,474</u>

**NOTE 5 – LONG-TERM DEBT**

Long-term debt of the District is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Business-type Activities:</u></b>					
CWRPDA Loan, 2013	\$ 1,172,770	\$ -	\$ 78,185	\$ 1,094,585	\$ 78,184
CWRPDA Loan, 2016	307,100	-	16,600	290,500	16,600
CWRPDA Loan, 2018	180,375	-	9,250	171,125	9,250
	<u>\$ 1,660,245</u>	<u>\$ -</u>	<u>\$ 104,035</u>	<u>\$ 1,556,210</u>	<u>\$ 104,034</u>

**Colorado Water Resources and Power Development Authority Loans**

**2013 Loan**

On May 15, 2013, the District entered into a \$1,563,694 Loan Agreement with the Colorado Water Resources and Power Development Authority (2013 CWRPDA Loan). The 2013 CWRPDA Loan bears an interest rate of 0%. The 2013 CWRPDA Loan requires semi-annual principal only payments of \$39,092 on May 1 and November 1 beginning on May 1, 2014 and continuing through November 1, 2033. The loan may be prepaid at any time without penalty.

**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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The 2013 CWRPDA Loan was obtained to fund capital improvements consisting of the installation of a sodium hypochlorite feed system, upgrading the existing lagoon treatment system by lining the aerated ponds, and adding tertiary filtration.

Security for the 2013 CWRPDA loan is provided by a pledge of the net revenue (gross revenue after deducting operation and maintenance expenses) of the District, excluding certain revenues as defined in the Loan Agreement. Additionally, the District has covenanted to establish and collect such rates, fees and charges, together with other available revenues that will be at least sufficient to pay the sum of: a) operation and maintenance expenses, b) 110% of the debt services on the 2013 CWRPDA Loan, c) the amount, if any, to be paid into any debt service reserve account in connection with any obligations secured by a lien on the Pledged Property, as defined in the 2013 CWRPDA Loan Agreement, which lien is on a parity with the lien of the 2013 CWRPDA Loan on the net revenue, d) a sum equal to the debt service on any obligations secured by a lien on the net revenue which lien is subordinate to the lien of the 2013 CWRPDA Loan on the Pledged Property, and e) amounts necessary to pay and discharge all charges and liens or other indebtedness not described above and payable out of the gross revenue of the District.

During the year ended December 31, 2019, the District was in compliance with the rate covenant.

Additionally, the 2013 CWRPDA Loan requires the District to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the District has restricted \$32,257 of the Enterprise Fund's net position, calculated as follows:

Total Expenses	\$ 245,216
Less Depreciation	<u>(116,190)</u>
Operations and Maintenance Expenses	<u>\$ 129,026</u>
3 Months of Operations and Maintenance	<u>\$ 32,257</u>

**2016 Loan**

On December 21, 2016, the District entered into a \$332,000 Loan Agreement with the Colorado Water Resources and Power Development Authority (2016 CWRPDA Loan). The 2016 CWRPDA Loan bears an interest rate of 0%. The 2016 CWRPDA Loan requires semi-annual principal only payments of \$8,300 on May 1 and November 1 beginning on November 1, 2017 and continuing through May 1, 2037. The loan may be prepaid at any time without penalty.

**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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The 2016 CWRPDA Loan was obtained to provide additional funding towards the project described for the 2013 CWRPDA Loan above, as well as to provide funding for redundant effluent pump station and filter staircase, and to provide financial contingency for the project to allow for any change orders during construction, if necessary.

The 2016 CWRPDA Loan contains the same security and covenant provisions as the 2013 CWRPDA Loan, as described above.

**2018 Loan**

On July 19, 2018, the District entered into a \$185,000 Loan Agreement with the Colorado Water Resources and Power Development Authority (2018 CWRPDA Loan). The 2018 CWRPDA Loan bears an interest rate of 0%. The 2018 CWRPDA Loan requires semi-annual principal only payments of \$4,625 on May 1 and November 1 beginning on November 1, 2018 and continuing through May 1, 2038. The loan may be prepaid at any time without penalty.

The 2018 CWRPDA Loan was obtained to provide additional funding towards the project described for the 2013 CWRPDA Loan above.

The 2018 CWRPDA Loan contains the same security and covenant provisions as the 2013 CWRPDA Loan, as described above.

The CWRPDA Loans mature as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	104,034	-	104,034
2021	104,034	-	104,034
2022	104,034	-	104,034
2023	104,034	-	104,034
2024	104,034	-	104,034
2025-2029	520,175	-	520,175
2030-2034	441,990	-	441,990
2035-2038	73,875	-	73,875
	<u>\$1,556,210</u>	<u>\$ -</u>	<u>\$1,556,210</u>

**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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**NOTE 6 – DEBT AUTHORIZATION**

As of December 31, 2019, the District has no authorized but unissued debt.

**NOTE 7 – AGREEMENTS**

The District entered into an Agreement with Lake Valley Golf Club (LVGC) on October 24, 1996, later amended and restated on November 29, 2009. The Agreement provides for LVGC to monitor effluent levels of ponds located on the golf course, transfer effluent between the ponds and maintain a road adjacent to the golf course. LVGC also agreed to accept for disposal, wastewater effluent generated by the District's wastewater treatment facilities. In consideration for these services, the District is to pay LVGC \$400 a month. During 2015, the agreement was amended to change the monthly fee from \$400 to \$550 a month beginning October 1, 2015. For the year ended December 31, 2019, the District remitted \$6,600 to LVGC in accordance with the Agreement.

**NOTE 8 – RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation 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.

**FAIRWAYS METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2019**

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**NOTE 9 – TAX SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provision of TABOR. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.



## **SUPPLEMENTARY INFORMATION**

**FAIRWAYS METROPOLITAN DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -  
BUDGET AND ACTUAL (BUDGETARY BASIS)**

**ENTERPRISE FUND**

**For the Year Ended December 31, 2019**

**(With Comparative Actual Totals for the Year Ended December 31, 2018)**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2018 Actual</b>
<b>Revenues</b>				
Sewer Service Fees	\$ 273,600	\$ 272,800	\$ (800)	\$ 244,156
Net Investment Income	1,500	6,686	5,186	4,375
Loan Proceeds	-	-	-	411,396
Miscellaneous Revenue	-	3,273	3,273	25,000
<b>Total Revenues</b>	<b>275,100</b>	<b>282,759</b>	<b>7,659</b>	<b>684,927</b>
<b>Expenditures</b>				
Engineering	15,000	30,964	(15,964)	29,575
Supplies	500	-	500	50
Insurance	-	3,087	(3,087)	-
Plant Repair and Maintenance	15,000	10,626	4,374	9,709
Plant Operator	15,000	12,991	2,009	12,600
Permits and Testing	8,000	10,666	(2,666)	9,226
Chemicals	6,700	6,468	232	8,177
Jetting and Televising	17,000	12,154	4,846	14,601
Collection System Repair	2,500	-	2,500	-
LVGC Maintenance Agreement	6,600	6,600	-	6,600
Utilities	30,000	35,470	(5,470)	31,987
Treasurer Fees	500	-	500	1,157
Loan Principal	104,035	104,035	-	99,410
Capital Outlay	15,000	20,216	(5,216)	38,945
Plant System Upgrades	17,500	-	17,500	34,506
Collection System Improvements	6,000	-	6,000	-
<b>Total Expenditures</b>	<b>259,335</b>	<b>253,277</b>	<b>6,058</b>	<b>296,543</b>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	15,765	29,482	13,717	388,384
<b>Funds Available - Beginning</b>	188,940	214,947	26,007	(173,437)
<b>Funds Available - Ending</b>	<b>\$ 204,705</b>	<b>\$ 244,429</b>	<b>\$ 39,724</b>	<b>\$ 214,947</b>
Funds Available is Computed as Follows:				
Current Assets		\$ 244,429		\$ 216,606
Current Liabilities		(104,034)		(105,693)
Add Current Portion of Long-Term Debt		104,034		104,034
		<b>\$ 244,429</b>		<b>\$ 214,947</b>

See the Independent Auditor's Report

## **OTHER INFORMATION**

**FAIRWAYS METROPOLITAN DISTRICT**

**Schedules of Future Debt Service Requirements to Maturity  
December 31, 2019**

**\$1,563,694 Water Pollution Control  
Revolving Fund Loan  
Dated May 13, 2013  
Interest Rate 0%  
Principal Due May 1 and November 1**

**\$332,000 Water Pollution Control  
Revolving Fund Loan  
Dated December 21, 2016  
Interest Rate 0%  
Principal Due May 1 and November 1**

Year	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 78,184	\$ -	\$ 78,184	\$ 16,600	\$ -	\$ 16,600
2021	78,184	-	78,184	16,600	-	16,600
2022	78,184	-	78,184	16,600	-	16,600
2023	78,184	-	78,184	16,600	-	16,600
2024	78,184	-	78,184	16,600	-	16,600
2025	78,185	-	78,185	16,600	-	16,600
2026	78,185	-	78,185	16,600	-	16,600
2027	78,185	-	78,185	16,600	-	16,600
2028	78,185	-	78,185	16,600	-	16,600
2029	78,185	-	78,185	16,600	-	16,600
2030	78,185	-	78,185	16,600	-	16,600
2031	78,185	-	78,185	16,600	-	16,600
2032	78,185	-	78,185	16,600	-	16,600
2033	78,185	-	78,185	16,600	-	16,600
2034	-	-	-	16,600	-	16,600
2035	-	-	-	16,600	-	16,600
2036	-	-	-	16,600	-	16,600
2037	-	-	-	8,300	-	8,300
2038	-	-	-	-	-	-
	<u>\$ 1,094,585</u>	<u>\$ -</u>	<u>\$ 1,094,585</u>	<u>\$ 290,500</u>	<u>\$ -</u>	<u>\$ 290,500</u>

**\$185,000 Water Pollution Control  
Revolving Fund Loan  
Dated July 19, 2018  
Interest Rate 0%**

Year	Principal Due May 1 and November 1			Totals		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 9,250	\$ -	\$ 9,250	\$ 104,034	\$ -	\$ 104,034
2021	9,250	-	9,250	104,034	-	104,034
2022	9,250	-	9,250	104,034	-	104,034
2023	9,250	-	9,250	104,034	-	104,034
2024	9,250	-	9,250	104,034	-	104,034
2025	9,250	-	9,250	104,035	-	104,035
2026	9,250	-	9,250	104,035	-	104,035
2027	9,250	-	9,250	104,035	-	104,035
2028	9,250	-	9,250	104,035	-	104,035
2029	9,250	-	9,250	104,035	-	104,035
2030	9,250	-	9,250	104,035	-	104,035
2031	9,250	-	9,250	104,035	-	104,035
2032	9,250	-	9,250	104,035	-	104,035
2033	9,250	-	9,250	104,035	-	104,035
2034	9,250	-	9,250	25,850	-	25,850
2035	9,250	-	9,250	25,850	-	25,850
2036	9,250	-	9,250	25,850	-	25,850
2037	9,250	-	9,250	17,550	-	17,550
2038	4,625	-	4,625	4,625	-	4,625
	<u>\$ 171,125</u>	<u>\$ -</u>	<u>\$ 171,125</u>	<u>\$ 1,556,210</u>	<u>\$ -</u>	<u>\$ 1,556,210</u>

**FAIRWAYS METROPOLITAN DISTRICT**

**SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND  
PROPERTY TAXES COLLECTED**

Levy Year	Collection Year	Assessed Valuation	Mill Levy			Total Levy	Current Collection	Collection Rate
			General	Debt	Total			
2011	2012	\$ 18,658,732	3.651	0.000	3.651	\$ 68,123	\$ 68,114	99.99%
2012	2013	18,668,856	3.651	0.000	3.651	68,160	68,155	99.99%
2013	2014	18,461,328	3.651	0.000	3.651	67,402	63,374	94.02%
2014	2015	18,116,982	3.651	0.000	3.651	66,145	66,145	100.00%
2015	2016	19,444,600	3.647	0.000	3.647	70,914	70,930	100.02%
2016	2017	19,454,719	3.651	0.000	3.651	71,029	71,029	100.00%
2017	2018	20,104,885	3.722	0.000	3.722	74,830	74,809	99.97%
2018	2019	\$ 20,077,138	3.580	0.000	3.580	71,876	71,876	100.00%
Estimated for year ending December 31, 2020		\$ 21,820,335	3.545	0.000	3.545	\$ 77,353		

**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.

**Source:** Boulder County Assessor and Treasurer



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**Dazzio & Associates, PC**

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**Certified Public Accountants**

October 1, 2020

To the Board of Directors and Management  
Fairways Metropolitan District  
c/o Special District Management Services  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide Fairways Metropolitan District (the District) for the year ended December 31, 2020.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2020.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenue, Expenditures and Changes in Funds Available – Enterprise Fund – Budget and Actual (Budgetary Basis)

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report:

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedules of Debt Service Requirements to Maturity

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations



from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will also prepare the financial statements of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and

transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$4,900. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

## **Reporting**

We will issue a written report upon completion of our audit of Fairways Metropolitan District's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Dagis & Associates, P.C.*

RESPONSE:

This letter correctly sets forth the understanding of Fairways Metropolitan District.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Board signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Cynthia Braddock

PO Box 471, 13<sup>th</sup> and Pearl  
Boulder, Colorado 80306-0471

Phone: (303) 441-3530

FAX: (303) 441-4996

[www.BoulderCountyAssessor.org](http://www.BoulderCountyAssessor.org)



September 28<sup>th</sup>, 2020

Fairways Metro District  
Lisa Johnson  
141 Union Blvd Ste #150  
Lakewood, CO 80228-1898

This is to certify that, as of September 28<sup>th</sup>, per C.R.S. 39-5-128(1) the assessed value of the

Fairways Metro District

For the purpose of taxation for the year 2020 is:

21,825,995

This valuation is subject to change by the County Board of Equalization (C.R.S. 39-8-107(2)), the State Board of Assessment Appeals (C.R.S. 39-2-125), the State Board of Equalization (C.R.S. 39-9-103), and the correction of errors by the Assessor or Treasurer (C.R.S. 39-5-125.2). Due to the increase in values we have been seeing over the past few reappraisal cycles, the number of abatements filed by property owners is increasing. Please pay close attention to the amount of taxes listed *on line 11* on the top portion of the Certification letter.

Values listed in the enclosed Certification letter are **preliminary values and should not be used to determine your budget and/or mill levy for next year.**

If you have any questions about the value or other information on this letter, need to update your district contact information please contact Erin Gray at [egray@bouldercounty.org](mailto:egray@bouldercounty.org).

Sincerely,

Cynthia Braddock  
Boulder County Assessor



# CERTIFICATION OF VALUATION BY BOULDER COUNTY ASSESSOR

New Tax Entity ☐ YES ☒ NO

Date: September 28, 2020

NAME OF TAX ENTITY: FAIRWAYS METRO DIST GENERAL OPERATING

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR:

1. PREVIOUS YEAR'S NET TOTAL ASSESSED VALUATION:	1. \$	\$21,820,335
2. CURRENT YEAR'S GROSS TOTAL ASSESSED VALUATION: ‡	2. \$	\$21,825,995
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$	\$21,825,995
5. NEW CONSTRUCTION: *	5. \$	\$8,444
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$	\$0
7. ANNEXATIONS/INCLUSIONS:	7. \$	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$	\$0
9. NEW PRIMARY OIL AND GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.) ☐:	9. \$	\$0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10. \$	\$0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11. \$	\$0

‡ This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

\* New Construction is defined as: Taxable real property structures and personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use forms DLG52 &amp; 52A.

☐ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

## USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$	\$288,940,189
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$	\$118,100
3. ANNEXATIONS/INCLUSIONS:	3. \$	\$0
4. INCREASED MINING PRODUCTION: §	4. \$	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property. ):	7. \$	\$0

## DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$	\$0
9. DISCONNECTIONS/EXCLUSIONS:	9. \$	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$	\$0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

\* Construction is defined as newly constructed taxable real property structures.

§ Includes production from a new mines and increase in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1. \$	\$0
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**NOTE:** ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

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

2019 Actual	2020 Adopted Budget	2021 Preliminary Budget
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<b>Assessed Valuation</b>	\$	20,077,138	\$	21,820,335	\$	21,825,995
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**Mill Levy**

General Fund	3.651	3.545	3.545
Debt Service Fund	-	-	-
Temporary Mill Levy Reduction	(0.071)	-	-
Refunds and Abatements	-	-	-

<b>Total Mill Levy</b>	3.580	3.545	3.545
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**Property Taxes**

General Fund	\$	73,301	\$	77,353	\$	77,373
Debt Service Fund		-		-		-
Temporary Mill Levy Reduction		(1,425)		-		-
Refunds and Abatements		-		-		-

<b>Actual/Budgeted Property Taxes</b>	\$	71,876	\$	77,353	\$	77,373
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# FAIRWAYS METROPOLITAN DISTRICT

## GENERAL FUND 2021 Preliminary Budget with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	01/20-09/20 YTD Actual	2020 Adopted Budget	2020 Estimated	2021 Preliminary Budget
1-501 BEGINNING FUND BALANCE	\$ 88,161	\$ 113,578	\$ 86,620	\$ 113,578	\$ 123,627
<b>REVENUE</b>					
1-510 Property Taxes	71,876	76,896	77,353	77,353	77,373
1-515 Specific Ownership Taxes	3,831	2,344	3,868	4,835	4,835
1-560 Interest Income	1,763	693	1,000	800	800
<b>Total Revenue</b>	<b>77,470</b>	<b>79,932</b>	<b>82,221</b>	<b>82,988</b>	<b>83,008</b>
<b>Total Funds Available</b>	<b>165,631</b>	<b>193,510</b>	<b>168,841</b>	<b>196,566</b>	<b>206,635</b>
<b>EXPENDITURES</b>					
1-612 Accounting	20,745	14,928	15,000	20,000	17,000
1-614 Administrative Services	24,861	14,969	25,000	22,000	22,000
1-615 Audit	4,714	5,302	5,000	5,302	5,500
1-616 Billing Service	7,134	4,211	6,500	5,650	6,500
1-620 Director's Fees	1,700	300	2,000	1,200	1,200
1-635 Election	-	1,069	1,250	1,069	-
1-670 Insurance & Bonds	4,003	6,316	4,000	6,316	7,000
1-675 Legal	7,016	6,383	7,000	7,000	7,000
1-680 Payroll Taxes	178	-	153	92	92
1-685 Miscellaneous	636	1,020	500	1,500	1,000
1-690 Supplies and Expenses	1,937	1,204	2,500	1,650	2,500
1-700 Treasurer's Fees	1,079	1,154	1,160	1,160	1,161
1-799 Contingency	-	-	20,000	-	20,000
<b>Total Expenditures</b>	<b>74,003</b>	<b>56,856</b>	<b>90,063</b>	<b>72,939</b>	<b>90,953</b>
<b>TRANSFERS AND OTHER USES</b>					
1-895 Emergency Reserve	-	-	-	-	2,490
1-897 Transfer to Enterprise	-	-	-	-	-
<b>Total Transfers and Other Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,490</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>74,003</b>	<b>56,856</b>	<b>90,063</b>	<b>72,939</b>	<b>93,443</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 91,628</b>	<b>\$ 136,654</b>	<b>\$ 78,778</b>	<b>\$ 123,627</b>	<b>\$ 113,192</b>



# FAIRWAYS METROPOLITAN DISTRICT

## ENTERPRISE FUND

### 2021 Preliminary Budget

with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	01/20-09/20 YTD Actual	2020 Adopted Budget	2020 Estimated	2021 Preliminary Budget
4-501 BEGINNING FUND BALANCE	\$ 214,947	\$ 1,012,743	\$ 207,546	\$ 1,012,743	\$ 1,019,693
<b>REVENUE</b>					
4-531 Sewer Service Fees	272,800	211,824	278,730	278,730	278,730
4-560 Interest	6,686	1,203	3,000	1,300	1,300
4-575 Other Income	3,273	-	-	-	-
4-582 Transfer from General Fund	-	-	-	-	-
<b>Total Revenue</b>	<b>282,759</b>	<b>213,027</b>	<b>281,730</b>	<b>280,030</b>	<b>280,030</b>
<b>Total Funds Available</b>	<b>497,706</b>	<b>1,225,770</b>	<b>489,276</b>	<b>1,292,773</b>	<b>1,299,723</b>
<b>EXPENDITURES</b>					
4-677 Engineering	30,964	7,226	15,000	9,500	10,000
4-670 Insurance & Bonds	3,087	3,695	4,250	3,695	4,300
4-690 Supplies and Expenses	-	-	500	-	500
4-700 Treasurer's Fees	-	-	500	-	-
4-750 Plant Maintenance & Repair	10,626	40,256	15,000	50,000	50,000
4-755 Plant Operator	12,991	7,882	15,000	17,000	17,000
4-780 Permits and Testing	10,666	8,793	9,500	12,000	10,000
4-782 Chemicals	6,468	4,811	8,250	7,500	8,500
4-783 Jetting & Televising	12,154	-	17,000	17,000	18,000
4-785 Collection System Repair	-	-	15,000	8,000	15,000
4-786 LVGC Maintenance Agreement	6,600	4,950	6,600	6,600	6,600
4-790 Utilities	35,470	21,649	35,000	35,000	35,000
Contingency	-	-	10,000	-	30,000
4-806 2013 CWPA Loan Principal	78,185	-	78,185	78,185	78,185
4-811 2016 CWPA Loan Principal	25,850	-	16,600	16,600	16,600
4-810 Plant & System Upgrades	20,216	8,902	9,250	12,000	75,000
4-824 WWTF Improvements	-	-	-	-	-
4-825 Capital Improvements-Collection Sys	-	-	20,000	-	-
Capital Contingency	-	-	15,000	-	-
<b>Total Expenditures</b>	<b>253,277</b>	<b>108,164</b>	<b>290,635</b>	<b>273,080</b>	<b>374,685</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>253,277</b>	<b>108,164</b>	<b>290,635</b>	<b>273,080</b>	<b>374,685</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 244,429</b>	<b>\$ 1,117,606</b>	<b>\$ 198,641</b>	<b>\$ 1,019,693</b>	<b>\$ 925,038</b>

RESOLUTION NO. 2020 - 10 - \_\_\_\_\_  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE FAIRWAYS METROPOLITAN DISTRICT  
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Fairways Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2021 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2020, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 12, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fairways Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Fairways Metropolitan District for the 2021 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 12th day of October, 2020.

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Secretary

(SEAL)

EXHIBIT A  
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Fairways Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Fairways Metropolitan District held on October 12, 2020.

By: \_\_\_\_\_  
Secretary

RESOLUTION NO. 2020 - 10 - \_\_\_\_\_  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE FAIRWAYS METROPOLITAN DISTRICT  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Fairways Metropolitan District (“District”) has adopted the 2021 annual budget in accordance with the Local Government Budget Law on October 12, 2020; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2021 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Fairways Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2021 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Boulder County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 12th day of October, 2020.

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Secretary

(SEAL)

**EXHIBIT A**  
(Certification of Tax Levies)