

**AGENDA for a Work Session and Regular Meeting
of the Board of Trustees of the Town of Fairplay, Colorado
Monday, July 15, 2019 at 4:00 p.m. at the Fairplay Town Hall Meeting Room
901 Main Street, Fairplay Colorado**

- I. **WORK SESSIONS**
 - A. **WORK SESSION REGARDING STONE RIVER PUD AT 4:00PM**
 - B. **WORK SESSION REGARDING POTENTIAL RV PARK AND MULTI-FAMILY DEVELOPMENT AT 5:00PM**
- II. **CALL TO ORDER OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES AT 6:00PM**
- III. **PLEDGE OF ALLEGIANCE**
- IV. **ROLL CALL**
- V. **APPROVAL OF AGENDA**
- VI. **CONSENT AGENDA** *(The Consent Agenda is intended to allow the Board to spend its time on more complex items. These items are generally perceived as non-controversial and can be approved by a single motion. The public or the Board Members may ask that an item be removed from the Consent Agenda for individual consideration.)*
 - A. **APPROVAL OF MINUTES** –July 1, 2019.
 - B. **APPROVAL OF EXPENDITURES**—Approval of bills of various Town funds in the amount of \$234,916.16
- VII. **CITIZEN COMMENTS**
- VIII. **UNFINISHED BUSINESS**
 - A. Other Discussion Items
- IX. **PUBLIC HEARINGS**
 - B. Should the Board Approve Adoption of Ordinance No. 3, Series of 2019, Entitled, “**AN EMERGENCY ORDINANCE OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, PROVIDING FOR THE VACATION OF PLATS FOR APPROVED SUBDIVISIONS AND PLANNED UNIT DEVELOPMENTS.**”?
- X. **NEW BUSINESS**
 - A. Presentation/Acceptance of 2008 Financial Audit
 - B. Should the Board Approve Adoption of Ordinance No .4, Series of 2019, Entitled, “**AN ORDINANCE OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, AMENDING THE FAIRPLAY MUNICIPAL CODE TO LIMIT STREET PARKING OF COMMERCIAL VEHICLES ON ANY PUBLIC STREET, HIGHWAY OR RIGHT-OF-WAY WITHIN THE TOWN OF FAIRPLAY, COLORADO.**”?
 - C. Should the Board Approve Adoption of Resolution No. 19, Series of 2019, Entitled, “**A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, APPROVING A PROPERTY IMPROVEMENT INCENTIVE PROGRAM (PIIP) AGREEMENT BETWEEN THE TOWN AND PAM AND JOHN CAIN FOR THE 660 BOGUE STREET EXTERIOR PROJECT.**”?
 - D. Should the Board Approve Adoption of Resolution No. 20, Series of 2019, Entitled, “**A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR THE PROVISION OF INTERCOUNTY COMMUTER TRANSIT SERVICES FOR PARK COUNTY.**”?
 - E. Discussion Regarding a Donation to the Nate Carrigan Scholarship Fund
 - F. Discussion of Permitted Uses Under Chapter 16—Unified Development Code
 - G. Other New Business
- XI. **BOARD OF TRUSTEE AND STAFF REPORTS**
- XII. **ADJOURNMENT**

Upcoming Meetings/Important Dates

This agenda may be amended.

Posted at Fairplay Town Hall, Fairplay Public Library, Fairplay Post Office, and Town of Fairplay Website on Thursday, July 11th, 2019.



MEMORANDUM

TO: Mayor and Board of Trustees

FROM: Tina Darrah, Town Administrator/Clerk

RE: Worksession in regard to Stone River PUD (4pm) and Potential RV Park and Multi-Family Development (5pm)

DATE: July 10, 2019

This work session is planned as an opportunity to meet the possible new owners of the Stone River PUD (at 4PM) and the development team looking at a potential RV Park along the river next to the Riverside Inn and Multi-Family Housing Development behind the Riverside Inn (at 5PM). Both of these discussions are planned similar to the Beaver Meadows PUD discussion held in June. This is an opportunity for high-level discussions regarding conceptual design, density, etc. Both Scot Hunn and Paul Wisor will be present at the work session. We anticipate each group taking about forty-five minutes. We will have light snacks available.

**MINUTES OF THE REGULAR MEETING OF THE
FAIRPLAY BOARD OF TRUSTEES
July 1, 2019**

CALL TO ORDER REGULAR MEETING OF THE BOARD OF TRUSTEES

The regular meeting of the Board of Trustees for the Town of Fairplay was called to order at 6:00 p.m. in the Council Chambers located in the Fairplay Town Hall, 901 Main Street, by Mayor Frank Just who proceeded with the pledge of allegiance, followed by the roll call which was answered by Trustees Scott Dodge, Eve Stapp, Paul Kemp and Cindy Bear. Also in attendance were Town Administrator/Clerk Tina Darrah, Public Works Director Jim Brown, Town Treasurer Kim Wittbrodt and Assistant to the Town Administrator Mason Green.

AGENDA ADOPTION

Motion #1 by Trustee Stapp, seconded by Trustee Kemp, that the agenda be adopted as presented. Motion carried unanimously.

CONSENT AGENDA *(The Consent Agenda is intended to allow the Board to spend its time on more complex items. These items are generally perceived as non-controversial and can be approved by a single motion. The public or the Board Members may ask that an item be removed from the Consent Agenda for individual consideration.)*

- A. **APPROVAL OF MINUTES** – June 17, 2019
- B. **APPROVAL OF EXPENDITURES** – Approval of bills of various Town Funds in the amount of \$61,853.53

Motion #2 by Trustee Stapp, seconded by Trustee Bear, that the consent agenda be adopted as presented. A roll call vote was taken: Dodge - yes, Stapp – yes, Just – yes, Kemp – yes, Bear – yes. Motion carried unanimously.

CITIZEN COMMENTS

No comments were offered.

UNFINISHED BUSINESS

- A. Other discussion items

No other discussion items were offered.

NEW BUSINESS

- A. Should the Board Approve Adoption of Resolution No. 16, Series of 2019, Entitled, "**A RESOLUTION FOR THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, ACCEPTING ENERGY IMPACT ASSISTANCE FUND GRANT MONIES FROM THE DEPARTMENT OF LOCAL AFFAIRS FOR THE PURCHASE OF THE BUILDING LOCATED AT 501 MAIN STREET.**"?

Town Administrator Darrah introduced the topic, stating that this was the contract with the Department of Local Affairs (DOLA) that would allow the Town to receive \$100,000 towards the purchase of the building at 501 Main Street. Town Administrator Darrah reminded the Board that they had previously authorized staff to match these grant monies with \$100,000 from the general fund for the purpose of buying the building at 501 Main Street for a total purchase price of \$200,000. Lastly, Town Administrator Darrah stated that the sale of the building will close on July 8.

Motion #3 by Trustee Just, seconded by Trustee Stapp, that the Board Approve Adoption of Resolution No. 16, Series of 2019, Entitled, "**A RESOLUTION FOR THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, ACCEPTING ENERGY IMPACT ASSISTANCE FUND GRANT MONIES FROM THE DEPARTMENT OF LOCAL AFFAIRS FOR THE PURCHASE OF THE BUILDING LOCATED AT 501 MAIN STREET.**" A roll call vote was taken: Dodge – yes, Stapp – yes, Just – yes, Kemp – yes, Bear – yes. Motion carried unanimously.

- B. Should the Board Approve Resolution No.17, Series of 2019, Entitled, "**A RESOLUTION FOR THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, APPROVING A PROPERTY**

IMPROVEMENT INCENTIVE PROGRAM (PIIP) BETWEEN THE TOWN AND AMANDA WOODBURY FOR THE 902 MAIN STREET ROOFING PROJECT.”?

Town Treasurer Wittbrodt introduced the topic, stating that Ms. Woodbury had applied for a PIIP in 2018, but was unable to fully complete the roofing portion of the project. Town Treasurer Wittbrodt stated that Ms. Woodbury's application was to complete the roofing that she was unable to get done last year.

Mayor Just spoke about the success of the PIIP program.

Ms. Woodbury stated that she thinks this program is awesome and thanked the Board for offering it.

Motion #4, by Trustee Dodge, seconded by Trustee Kemp, that the Board Approve Resolution No. 17, Series of 2019, Entitled, **“A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, APPROVING A PROPERTY IMPROVEMENT INCENTIVE PROGRAM (PIIP) BETWEEN THE TOWN AND AMANDA WOODBURY FOR THE 902 MAIN STREET ROOFING PROJECT.”?** A roll call vote was taken. Dodge – yes, Stapp – yes, Just – yes, Kemp – yes, Bear – yes. Motion carried unanimously.

- C. Should the Board Approve Resolution No.18, Series of 2019, Entitled, **“A RESOLUTION FOR THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, APPROVING A PROPERTY IMPROVEMENT INCENTIVE PROGRAM (PIIP) BETWEEN THE TOWN AND GREG AND CARMEN JOHNSON FOR THE 402 HATHAWAY EXTERIOR PROJECT.”?**

Town Treasurer Wittbrodt introduced the topic, stating that the applicant is seeking to repair a fence which surrounds the property.

Mr. Johnson informed the Board that the project would be to re-seal and repair the stucco fence surrounding his property. Mr. Johnson stated that he is impressed with the program, and that the improvements around Town inspired him to do this project. Mr. Johnson then thanked the Board and staff.

Motion #5, by Trustee Just, Seconded by Trustee Stapp, that the Board Approve Resolution No. 18, Series of 2019, Entitled, **“A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, APPROVING A PROPERTY IMPROVEMENT INCENTIVE PROGRAM (PIIP) BETWEEN THE TOWN AND GREG AND CARMEN JOHNSON FOR THE 402 HATHAWAY EXTERIOR PROJECT.”?** A roll call vote was taken. Dodge – yes, Stapp – yes, Just – yes, Kemp – yes, Bear – yes. Motion carried unanimously.

D. Other new business

No other new business offered.

BOARD OF TRUSTEES AND STAFF REPORTS

Assistant to the Town Administrator Green informed the Board that the Town was awarded the Blueprint 2.0 Implementation Grant monies that staff had applied for. These funds will be used for the advertisement of Fairplay's outdoor recreation opportunities on a Summit Stage bus, and for the creation of two vertical banners.

Town Treasurer Wittbrodt informed the Board that a presentation of the 2018 financial audit will occur at the July 15 meeting.

Public Works Director Brown stated that the road paving had been completed last week and that the addition of shoulders to the paved areas would be completed this week.

Town Administrator Darrah informed the Board that staff did close the Beach Road this morning due to the high-water flow, and that staff would continue to monitor the situation. Town Administrator Darrah then informed the Board that there would be no fireworks for Independence Day as J&M Fireworks did not have a cancellation that would have allowed them to send the Town a pyrotechnician. Town Administrator asked for direction from the Board regarding when the fireworks should be rescheduled. The Board directed staff to reschedule the fireworks show for Saturday, July 27th, during the Burro Days event.

Town Administrator Darrah then informed the Board that the July 15th meeting would begin at 4:00 p.m. with two work sessions prior to the regular meeting.

Lastly, Town Administrator Darrah asked the Board when a good time would be to schedule the first 2020 Budget Work Session. After discussion, it was decided that the first 2020 Budget Work Session would be scheduled for July 31st at 5:00 p.m.

Trustee Dodge stated that he had received a citizen comment regarding dogs at large at the Fairplay Beach and regarding dirt and gravel on Town streets.

Trustee Stapp shared that she thinks the flowers around Town look amazing.

Trustee Kemp stated that he is very happy with the paving work.

Trustee Bear informed the Board that the Colorado Municipal League Conference was great, and that she learned a lot.

Mayor Just stated that Summit Stage ridership continues to increase, and that he heard many positive comments at the first TGIFairplay Concert about the event, Town staff, and the Town.

ADJOURNMENT

Mayor Just, noting that there being no further business before the Board, declared that the meeting be adjourned at 6:36 p.m.

Frank Just, Mayor

ATTEST:

Mason Green, Assistant to the Town Administrator



MEMORANDUM

TO: Mayor and Board of Trustees
FROM: Kim Wittbrodt, Treasurer
RE: Paid Bills
DATE: 7/9/2019

Agenda Item: Bills

Attached is the list of invoices paid through July 9, 2019.

Total Expenditures: \$234,916.16

Please note that this total includes the purchase of 501 Main Street. We will be reimbursed by DOLA for \$100,000.00.

Upon motion to approve the consent agenda, the expenditures will be approved.

Please contact me with any questions.

Report Criteria:

Detail report type printed

Check Issue Date	Check Number	Name	Description	Seq	Invoice Date	Check Amount	GL Account
07/01/2019	15063	Caselle, Inc	Software Support	1	06/01/2019	439.50	517206
07/01/2019	15063		Software Support	2	06/01/2019	439.50	105060
Total 334:						879.00	
07/03/2019	15079	Cash	cash for parade prizes	1	07/03/2019	150.00	105171
07/03/2019	15096		change for race	1	07/03/2019	200.00	101002
Total 340:						350.00	
07/03/2019	15084	Dana Kepner Company, In	3/4 reducing valves	1	06/27/2019	747.66	517485
Total 682:						747.66	
07/01/2019	15068	Newman Traffic Signs	signs	1	04/25/2019	40.00	105670
Total 1492:						40.00	
07/01/2019	15072	United States Postal Servic	Bulk Mail - Newsletter	1	07/01/2019	133.18	105130
Total 2158:						133.18	
07/03/2019	15091	USABlueBook	water maint equip	1	06/27/2019	540.25	517655
Total 2176:						540.25	
07/03/2019	15092	Utility Notification Center	RTL Transmissions	1	06/30/2019	56.80	517455
07/03/2019	15092		RTL Transmissions	1	06/30/2019	59.64	517650
Total 2194:						116.44	
07/01/2019	15073	Verizon Wireless	Phones and air cards	1	07/01/2019	297.23	105455
Total 2212:						297.23	
07/01/2019	15074	Xcel Energy	945 quarry road	1	06/14/2019	13.69	517490
07/01/2019	15074		901 main	1	06/19/2019	214.79	105023
07/01/2019	15074		fairplay chlorinator	1	06/19/2019	94.72	517470
07/01/2019	15074		747 bogue	1	06/19/2019	11.66	105841
07/01/2019	15074		1800 beaver creek road	1	06/19/2019	938.46	517495
07/01/2019	15074		117 silverheels road	1	06/19/2019	10.13	105841
07/01/2019	15074		fairplay sign #1	1	06/19/2019	11.00	105640
07/01/2019	15074		525 hathaway	1	06/19/2019	151.69	105190
07/01/2019	15074		850 hathaway	1	06/20/2019	219.67	105186
07/03/2019	15094		san plant	1	06/24/2019	3,891.82	517680
07/03/2019	15094		1190 castello	1	06/25/2019	156.26	105650
07/03/2019	15094		200 2nd street	2	06/25/2019	83.10	517470
07/03/2019	15094		157 6th street	3	06/25/2019	57.55	105640
07/03/2019	15094		156 5th street	4	06/25/2019	10.13	105640
07/03/2019	15094		589 platte drive	5	06/25/2019	10.34	105841
Total 2296:						5,875.01	
07/01/2019	15067	Laser Graphics	Business Cards	1	06/27/2019	90.00	105445

Check Issue Date	Check Number	Name	Description	Seq	Invoice Date	Check Amount	GL Account
Total 2437:						90.00	
07/01/2019	15065	KONICA MINOLTA BUSIN	C364E Copier	1	06/14/2019	367.12	105032
07/01/2019	15065		C364E Copier	1	06/14/2019	376.53	105032
Total 2448:						743.65	
07/03/2019	15086	Java Moose	cups and candy for parade	1	07/03/2019	110.96	105150
07/03/2019	15086		cups and candy for parade	2	07/03/2019	210.80	105162
07/03/2019	15086		cups and candy for parade	3	07/03/2019	289.08	105171
Total 2477:						610.84	
07/05/2019	15097	Fidelity National Title Co.	purchase 501 Main Street	1	07/05/2019	196,621.00	105195
Total 2565:						196,621.00	
07/01/2019	15064	CenturyLink	alarm line-525 Hathaway	1	06/19/2019	46.04	105190
07/01/2019	15064		7198362622355B	1	06/19/2019	470.11	105065
07/01/2019	15064		acct 719-836-4609 502B	1	06/19/2019	59.67	517226
07/01/2019	15064		7198362445	1	06/19/2019	108.39	517226
07/01/2019	15064		acct 82239760	1	06/23/2019	41.49	105065
Total 2614:						725.70	
07/01/2019	15066	L.A.W.S.	decals for tahoe	1	06/27/2019	180.50	105420
Total 2630:						180.50	
07/03/2019	15093	Wave Electric Inc.	electric for new service pan	1	06/27/2019	3,000.00	105150
Total 2637:						3,000.00	
07/03/2019	15080	CASI Asphalt & Concrete	asphalt	1	06/18/2019	4,107.86	105670
Total 2674:						4,107.86	
07/01/2019	15070	South Park Telephone	internet 901 main	1	07/01/2019	29.97	105065
07/01/2019	15070		internet 901 main	2	07/01/2019	29.98	105455
Total 2730:						59.95	
07/01/2019	15061	Adamson Police Products	ammo	1	06/24/2019	131.00	105432
Total 2759:						131.00	
07/03/2019	15081	Chaffee County Waste	6 yd weekly	1	07/01/2019	100.00	105650
07/03/2019	15081		6 yd weekly	2	07/01/2019	100.00	105023
07/03/2019	15081		town clean up	1	05/31/2019	7,200.00	105135
Total 2801:						7,400.00	
07/03/2019	15090	South Park Brewing	beer for concert	1	07/01/2019	420.00	105150
Total 2873:						420.00	

Check Issue Date	Check Number	Name	Description	Seq	Invoice Date	Check Amount	GL Account
07/03/2019	15088	Rise Broadband	internet	1	07/01/2019	34.84	517226
Total 2900:						34.84	
07/01/2019	15062	Brand Evolutions West	burro buster shirts	1	06/21/2019	414.30	105171
Total 3020:						414.30	
07/03/2019	15082	Continental Divide Producti	sound for 4th band	1	07/03/2019	500.00	105171
Total 3123:						500.00	
07/01/2019	15069	Omni Real Estate	rent	1	07/01/2019	1,100.00	102268
Total 3167:						1,100.00	
07/03/2019	15085	Garfield & Hecht, P.C.	legal	1	05/31/2019	277.50	105057
Total 3270:						277.50	
07/03/2019	15089	SGM	engineering	1	06/25/2019	1,569.00	517635
07/03/2019	15089		engineering	2	06/25/2019	151.25	105670
Total 3272:						1,720.25	
07/01/2019	15071	Twenty Hands High, LLC	4th of july band	1	07/01/2019	750.00	105171
Total 3300:						750.00	
07/03/2019	15083	Courtney Garfield	refund headstone deposit	1	07/03/2019	300.00	105850
Total 3315:						300.00	
07/03/2019	15087	Macdonald Equipment Co.	grader rental	1	06/20/2019	6,750.00	105670
Total 3316:						6,750.00	
Grand Totals:						234,916.16	

Report Criteria:

Detail report type printed



MEMORANDUM

TO: Mayor and Board of Trustees

FROM: Tina Darrah, Town Administrator

RE: PUBLIC HEARING - Ordinance Regarding Vacation of Plats for Abandoned Subdivisions/PUD's

DATE: July 10, 2019

As previously discussed, we have a number of large tracts of land that have platted subdivisions/PUD's that have been abandoned or are not in compliance with their Subdivision improvement Agreement or PUD Agreement. Adoption of this ordinance will give the Town Staff and Board a procedure to follow to abandon or vacate those types of developments. As you can see in the ordinance there are general conditions that must be met to allow the town to initiate the process and then a detailed public process that must be followed prior to any approval for vacation of a plat.

The Public Hearing on this ordinance has been appropriately noticed in the Fairplay Flume and will need to be opened and public comment solicited. The hearing can then be closed, and a motion considered.

Recommended Action:

Motion to Approve Ordinance #3, series of 2019. This will require a second and a voice vote.

**TOWN OF FAIRPLAY, COLORADO
ORDINANCE #3
(SERIES 2019)**

**AN EMERGENCY ORDINANCE OF THE BOARD OF TRUSTEES FOR
THE TOWN OF FAIRPLAY, COLORADO, PROVIDING FOR THE
VACATION OF PLATS FOR APPROVED SUBDIVISIONS AND
PLANNED UNIT DEVELOPMENTS.**

WHEREAS, the Town Board of Trustees has determined that to further the purpose of the Town's Comprehensive Plan and to protect the public health, safety and welfare, it is in the best interests of the Town and its citizens to adopt new regulations governing the vacation of plats for approved subdivision and plats that are no longer being developed.

Now, therefore, be it ordained by the Board of Trustees of the Town of Fairplay, Colorado that:

Section 1. Findings and Intent. The above and foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Board of Trustees of the Town of Fairplay.

Section 2. Addition to the Municipal Code. The Fairplay Municipal Code is amended by the addition of a new Section 10-23-70 to read as follows:

Sec. 10-23-70. Plat Vacation

A) Government initiated plat vacation.

1. General conditions. The Board of Trustees on its motion, may vacate the plat of an approved Subdivision or Planned Unit Development, in whole or in part, when:
 - a. No lots within the approved Subdivision or Planned Unit Development, or no lots within a phase of the approved Subdivision or Planned Unit Development, have been sold within five (5) years from the date that the plat was signed by the Mayor;
 - b. The developer has breached a Subdivision Improvement Agreement or other development agreement and the Town is unable to obtain funds with which to complete construction of public improvements, except that the vacation shall apply only to lots owned by the developer or its successor;
 - c. The plat has been of record for more than five (5) years and the Board of Trustees determines that the further sale of lots within the Subdivision or Planned Unit Development presents a threat to public health, safety and welfare, except that the vacation shall apply only to lots owned by the developer or its successor; and

d. No vested rights exist on the property.

2. Procedure. Upon any motion of the Board of Trustees to vacate the plat of any previously approved Subdivision or Planned Unit Development, in whole or in part, the Board of Trustees shall publish notice in a newspaper of general circulation and provide personal notice to all property owners within the Subdivision or Planned Unit Development and shall also provide notice to the governing body. The notice shall state the time and place for a public hearing on the motion to vacate the Subdivision or Planned Unit Development plat. The public hearing shall be no sooner than thirty (30) and no later than forty-five (45) days from the date of the publication and personal notice. The Board of Trustees shall approve the resolution affecting the vacation on such terms and conditions as are reasonable to protect public health, safety, and welfare; but in no event may the Board of Trustees approve a petition for vacation if it will materially injure the rights of any nonconsenting property owner or any public rights in public improvements unless expressly agreed to by the governing body.

3. Recordation. If the Board of Trustees adopts a resolution vacating a plat in whole, it shall record a copy of the resolution in the Clerk and Recorder's office of Park County. If the Board of Trustees adopts a resolution vacating a plat in part, it shall record a copy of the resolution as described above and cause a Revised Final Subdivision or Planned Unit Development Plat to be recorded which shows that portion of the original subdivision plat that has been vacated and that portion that has not been vacated.

Section 3. Police Power Finding. The Board of Trustees hereby finds, determines and declares that this Ordinance is necessary and proper to provide for the safety, preserve the health, promote the prosperity, and improve the order, comfort and convenience of the Town and the inhabitants thereof.

Section 4. Emergency Declared. The Board of Trustees determines that the adoption of this Ordinance as an emergency ordinance is in the best interest of the citizens of the Town of Fairplay. Accordingly, pursuant to C.R.S. § 31-16-105, this ordinance shall take effect immediately upon adoption.

ORDAINED, APPROVED AND ADOPTED THIS [] DAY OF [] 2019.

Frank Just, Mayor

Tina Darrah, Town Clerk

**NOTICE OF PUBLIC HEARING
FOR AMENDMENTS TO THE FAIRPLAY ZONING CODE**

Notice is hereby given that a public hearing will be held before the Board of Trustees of the Town of Fairplay, Colorado, in the Council Chambers of the Town Hall, 901 Main Street, Fairplay, Colorado, at 6:00 p.m. on Monday, July 15, 2019, to consider proposed amendments to the Unified Development Code, Chapter 16, of the Fairplay Municipal Code. The Board of Trustees will be considering the following ordinances: **"AN EMERGENCY ORDINANCE OF THE TOWN OF FAIRPLAY, COLORADO, PROVIDING FOR THE VACATION OF PLATS FOR APPROVED SUBDIVISIONS AND PLANNED UNIT DEVELOPMENTS"**. All interested parties are encouraged to attend. Additional information may be obtained from the Town Clerk's office at 901 Main Street or by calling (719) 836-2622.

Published ONCE in the FAIRPLAY FLUME on July 5, 2019.



MEMORANDUM

TO: Mayor and Board of Trustees
FROM: Kim Wittbrodt
RE: 2018 Audits
DATE: July 15, 2019

Agenda Item: Presentation of 2018 Audit

A representative from Holscher, Mayberry & Co. will be presenting the Town of Fairplay and the Fairplay Sanitation District 2018 audits. The audits are due to the State Auditor by July 31st.

Please contact me over the weekend with any questions you have so I may have the answers ready for you on Monday.

Recommended Action: Motion to accept the 2018 Town of Fairplay and Fairplay Sanitation District audits. This will require a second and a voice vote.

TOWN OF FAIRPLAY
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
December 31, 2018

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INTRODUCTORY SECTION

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**TOWN OF FAIRPLAY, COLORADO
BOARD OF TRUSTEES
December 31, 2018**

Board of Trustees

Frank Just, Mayor
Scott Dodge, Trustee
Cindy Bear, Trustee
Paul Kemp, Trustee
Eve Stapp, Trustee

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FINANCIAL SECTION

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Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Fairplay
Fairplay, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fairplay, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 controls. 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, each major fund, and the aggregate remaining fund information of the Town of Fairplay, Colorado, as of December 31, 2018, and the respective changes in financial position and, where applicable, and cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Fairplay's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M7 and pension schedules on pages 35-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 37-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the budgetary comparison schedules listed as other supplementary information on pages 40-45 are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Local Highway Finance Report* on pages 46-50 is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, CO
July 3, 2019

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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2018.

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TOWN OF FAIRPLAY, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 375,292	\$ 135,169	\$ 510,461
Investments	655,249	1,607,068	2,262,317
Restricted Cash and Investments	32,416	-	32,416
Receivables			
Property Tax Receivable	193,409	-	193,409
Intergovernmental Receivables	150,974	-	150,974
Utility Receivable	-	98,157	98,157
Cash with Fiscal Agent	2,667	-	2,667
Accounts Receivable	-	10,586	10,586
Other Receivables	28,964	-	28,964
Prepaid Expenses	1,100	-	1,100
Total Current Assets	<u>1,440,071</u>	<u>1,850,980</u>	<u>3,291,051</u>
Noncurrent Assets			
Capital Assets not being Depreciated	707,709	714,260	1,421,969
Capital Assets being Depreciated	2,123,248	6,617,866	8,741,114
Accumulated Depreciation	(1,063,093)	-	(1,063,093)
Net Pension Asset	25,991	-	25,991
Total Noncurrent Assets	<u>1,793,855</u>	<u>7,332,126</u>	<u>9,125,981</u>
TOTAL ASSETS	<u>3,233,926</u>	<u>9,183,106</u>	<u>12,417,032</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Deferred Pension Outflows	58,243	-	58,243
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 3,292,169</u>	<u>\$ 9,183,106</u>	<u>\$ 12,475,275</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 38,865	\$ 13,114	\$ 51,979
Accrued Liabilities	18,864	-	18,864
Accrued Salaries and Benefits	19,060	9,099	28,159
Deposits and Escrow	1,600	-	1,600
Accrued Interest Payable	3,603	5,019	8,622
Total Current Liabilities	<u>81,992</u>	<u>27,232</u>	<u>109,224</u>
Noncurrent Liabilities			
Due within one year	39,552	203,400	242,952
Due in more than one year	481,676	3,344,060	3,825,736
Total Noncurrent Liabilities	<u>521,228</u>	<u>3,547,460</u>	<u>4,068,688</u>
TOTAL LIABILITIES	<u>603,220</u>	<u>3,574,692</u>	<u>4,177,912</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	193,409	-	193,409
Net Pension Deferred Inflows	26,293	-	26,293
Other Deferred Inflows	13,050	57,014	70,064
TOTAL DEFERRED INFLOWS	<u>232,752</u>	<u>57,014</u>	<u>289,766</u>
NET POSITION			
Net Investment in Capital Assets	1,261,411	3,796,826	5,058,237
Restricted Net Position	93,907	-	93,907
Unrestricted Net Position	1,100,879	1,754,574	2,855,453
TOTAL NET POSITION	<u>2,456,197</u>	<u>5,551,400</u>	<u>8,007,597</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 3,292,169</u>	<u>\$ 9,183,106</u>	<u>\$ 12,475,275</u>

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

TOWN OF FAIRPLAY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
Government Activities				
Current:				
General Government	\$ 430,416	\$ 135,891	\$ 64,337	\$ -
Public Safety	197,508	3,509	-	-
Public Works	379,960	21,184	46,868	-
Culture and Recreation	192,048	49,306	3,620	-
Interest on Debt	20,227	-	-	-
TOTAL GOVERNMENT ACTIVITIES	1,220,159	209,890	114,825	-
Business-type Activities				
Current:				
Water	211,907	282,300	-	5,500
Utility	602,158	536,547	-	3,011,014
TOTAL BUSINESS-TYPE ACTIVITIES	814,065	818,847	-	3,016,514
TOTAL GOVERNMENT	\$ 2,034,224	\$ 1,028,737	\$ 114,825	\$ 3,016,514
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Insurance Proceeds				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
\$ (230,188)	\$ -	\$ (230,188)
(193,999)	-	(193,999)
(311,908)	-	(311,908)
(139,122)	-	(139,122)
(20,227)	-	(20,227)
<u>(895,444)</u>	<u>-</u>	<u>(895,444)</u>
-	75,893	75,893
-	<u>2,945,403</u>	<u>2,945,403</u>
-	<u>3,021,296</u>	<u>3,021,296</u>
<u>(895,444)</u>	<u>3,021,296</u>	<u>2,125,852</u>
190,401	29,045	219,446
28,900	-	28,900
914,045	-	914,045
49,271	-	49,271
48,623	-	48,623
11,125	19,600	30,725
-	216	216
<u>7,489</u>	<u>48,861</u>	<u>7,489</u>
<u>1,249,854</u>	<u>48,861</u>	<u>1,298,715</u>
354,410	3,070,157	3,424,567
<u>2,101,787</u>	<u>2,481,243</u>	<u>4,583,030</u>
\$ <u>2,456,197</u>	\$ <u>5,551,400</u>	\$ <u>8,007,597</u>

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TOWN OF FAIRPLAY, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

With Comparative Totals for December 31, 2017

	General Fund	Other Funds	Total	
			2018	2017
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments				
Cash	\$ 181,700	\$ -	\$ 181,700	\$ 318,428
Investments	655,249	-	655,249	259,840
Restricted Cash and Investments	11,500	20,916	32,416	28,762
Receivables				
Property Tax Receivable	193,409	-	193,409	192,172
Intergovernmental Receivables	150,974	-	150,974	144,359
Cash with Fiscal Agent	2,667	-	2,667	2,224
Other Receivables	28,964	-	28,964	11,027
Prepaid Expenses	1,100	-	1,100	1,100
TOTAL ASSETS	\$ 1,225,563	\$ 20,916	\$ 1,246,479	\$ 957,912
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 38,865	\$ -	\$ 38,865	\$ 23,744
Accrued Liabilities	18,864	-	18,864	15,147
Accrued Salaries and Benefits	19,060	-	19,060	11,413
Deposits and Escrow	1,600	-	1,600	10,100
TOTAL LIABILITIES	78,389	-	78,389	60,404
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	193,409	-	193,409	192,172
Other Deferred Inflows	13,050	-	13,050	7,675
TOTAL DEFERRED INFLOWS	206,459	-	206,459	199,847
FUND BALANCE				
Nonspendable Fund Balance	1,100	-	1,100	1,100
Restricted Fund Balance	47,000	20,916	67,916	67,262
Unassigned Fund Balance	892,615	-	892,615	629,299
TOTAL FUND BALANCE	940,715	20,916	961,631	697,661
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,225,563	\$ 20,916	\$ 1,246,479	\$ 957,912

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

TOWN OF FAIRPLAY, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2018**

Fund Balance - Governmental Funds		\$ 961,631
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 707,709	
Capital assets, being depreciated	1,975,780	
Accumulated depreciation	<u>(1,033,779)</u>	1,649,710
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
FPPA Pension Liability		
Net deferred FPPA pension outflows	58,243	
Net FPPA pension asset	25,991	
Net deferred FPPA pension inflows	<u>(26,293)</u>	57,941
Internal Service operations primarily benefit Governmental Activities		
Internal Service Fund Net Position		311,746
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(184,827)	
Certificates of participation payable	(318,023)	
Accrued interest payable	(3,603)	
Accrued compensated absences	<u>(18,378)</u>	<u>(524,831)</u>
Total Net Position - Governmental Activities		<u>\$ 2,456,197</u>

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

TOWN OF FAIRPLAY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	General	Other	TOTAL	
	Fund	Funds	2018	2017
REVENUES				
Taxes	\$ 1,231,240	\$ -	\$ 1,231,240	\$ 1,127,705
Intergovernmental Revenues	102,021	3,620	105,641	58,281
Licenses and Permits	43,958	-	43,958	56,911
Fines and Forfeits	3,409	-	3,409	16,477
Charges for Services	162,524	-	162,524	161,556
Investment Earnings	11,091	34	11,125	3,312
Other Revenues	16,672	-	16,672	34,639
TOTAL REVENUES	1,570,915	3,654	1,574,569	1,458,881
EXPENDITURES				
Current:				
General Government	453,854	-	453,854	350,360
Public Safety	194,824	-	194,824	285,266
Public Works	216,073	-	216,073	183,947
Parks, Recreation and Other	175,855	-	175,855	141,396
Capital Outlay	213,009	-	213,009	267,846
Debt Service	56,984	-	56,984	56,984
TOTAL EXPENDITURES	1,310,599	-	1,310,599	1,285,799
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	260,316	3,654	263,970	173,082
FUND BALANCE, BEGINNING	680,399	17,262	697,661	524,579
FUND BALANCE, ENDING	\$ 940,715	\$ 20,916	\$ 961,631	\$ 697,661

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

TOWN OF FAIRPLAY, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Change in Fund Balance - Governmental Funds	\$	263,970
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	52,749	
Depreciation Expense	(49,838)	2,911
Internal Service operations primarily benefit Governmental Activities		
Change in net position - Internal Service Funds		33,751
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in deferred pension outflows	1,043	
Change in net pension liability/ asset	36,481	
Change in deferred pension inflows	(24,188)	13,336
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on capital leases	24,179	
Principal payments on certificates of participation	15,938	
Change in accrued interest payable	325	<u>40,442</u>
Change in Net Position - Governmental Activities	\$	<u>354,410</u>

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

TOWN OF FAIRPLAY, COLORADO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2018

With Comparative Totals for December 31, 2017

	Business-type Activities		Govt	Total	
	Water	Utility	Internal Service		
	Fund	Fund	Funds	2018	2017
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	\$ -	\$ 135,169	\$ 193,592	\$ 328,761	\$ 355,845
Investments	-	1,607,068	-	1,607,068	433,626
Restricted Cash and Investments	-	-	-	-	79,491
Receivables					
Utility Receivable	-	98,157	-	98,157	36,446
Accounts Receivable	-	10,586	-	10,586	965
Total Current Assets	-	1,850,812	193,592	2,044,572	906,373
Noncurrent Assets					
Capital Assets not being depreciated	-	714,260	-	714,260	139,922
Capital Assets being depreciated	-	6,617,866	147,468	6,765,334	4,035,643
Accumulated Depreciation	-	-	(29,314)	(29,314)	(2,098,970)
Total Noncurrent Assets	-	7,332,126	118,154	7,450,280	2,076,595
TOTAL ASSETS	\$ -	\$ 9,183,106	\$ 311,746	\$ 9,494,852	\$ 2,982,968
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ -	\$ 13,114	\$ -	\$ 13,114	\$ 1,718
Accrued Liabilities	-	-	-	-	203,974
Accrued Salaries and Benefits	-	9,099	-	9,099	7,652
Accrued Interest Payable	-	5,019	-	5,019	-
Total Current Liabilities	-	27,232	-	27,232	213,344
Noncurrent Liabilities					
Due within one year	-	203,400	-	203,400	10,594
Due in more than one year	-	3,344,060	-	3,344,060	(208)
Total Noncurrent Liabilities	-	3,547,460	-	3,547,460	10,386
TOTAL LIABILITIES	-	3,574,692	-	3,574,692	223,730
Other Deferred Inflows	-	57,014	-	57,014	-
NET POSITION					
Net Investment in Capital Assets	-	3,796,826	118,154	3,914,980	2,076,595
Restricted Net Position	-	-	-	-	79,491
Unrestricted Net Position	-	1,754,574	193,592	1,948,166	603,152
TOTAL NET POSITION	-	5,551,400	311,746	5,863,146	2,759,238
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ -	\$ 9,183,106	\$ 311,746	\$ 9,494,852	\$ 2,982,968

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

TOWN OF FAIRPLAY, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	Business-type Activities		Govt Activities	Total	
	Water	Utility	Internal Service	2018	2017
	Fund	Fund	Funds		
Operating Revenues					
Utility Charges	\$ 198,911	\$ 530,443	\$ -	\$ 729,354	\$ 386,486
Internal Charges	-	-	41,309	41,309	42,700
Other Charges for Services	83,389	6,104	1,392	90,885	165,265
Total Revenues	282,300	536,547	42,701	861,548	594,451
Operating Expenses					
Personnel Services	140,778	190,515	-	331,293	290,200
Administrative/Office Expenses	32,144	13,220	-	45,364	53,504
Insurance	-	2,740	-	2,740	-
Operating Supplies	10,734	8,491	-	19,225	9,256
Professional Fees	2,400	16,932	-	19,332	13,504
Repairs and Maintenance	4,093	60,567	-	64,660	3,345
Travel and Training	-	43	-	43	-
Treatment	2,520	558	-	3,078	1,059
Telephone and Utilities	6,768	40,856	-	47,624	16,465
Other Operating Expenses	4,176	5,338	-	9,534	8,352
Depreciation Expense	-	190,017	8,950	198,967	105,194
Other Capital Outlay	8,294	11,387	-	19,681	15,093
Total Expenditures	211,907	540,684	8,950	761,541	515,972
Operating Income (Loss)	70,393	(4,137)	33,751	100,007	78,479
Other Income (Expense)					
Tax Revenue	-	29,045	-	29,045	-
Investment Earnings	3,524	16,076	-	19,600	2,404
Other Revenue	-	216	-	216	-
Interest Expense	-	(61,474)	-	(61,474)	(3,258)
Total Other Income (Expense)	3,524	(16,137)	-	(12,613)	(854)
Net Income (Loss) before Transfers	73,917	(20,274)	33,751	87,394	77,625
Transfers					
Transfers In/(Out)	(2,560,660)	2,560,660	-	-	-
Net Income (Loss)	(2,486,743)	2,540,386	33,751	87,394	77,625
Contributed Capital					
Plant Investment Fees	5,500	24,202	-	29,702	73,500
Intergovernmental Revenue	-	251,046	-	251,046	-
Other Capital Contributions	-	2,735,766	-	2,735,766	-
Total Contributed Capital	5,500	3,011,014	-	3,016,514	73,500
Change in Net Position	(2,481,243)	5,551,400	33,751	3,103,908	151,125
Net Position, Beginning	2,481,243	-	277,995	2,759,238	2,608,113
Net Position, Ending	\$ -	\$ 5,551,400	\$ 311,746	\$ 5,863,146	\$ 2,759,238

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

TOWN OF FAIRPLAY

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	Business-type Activities		Govt Activities	Total	
	Water	Utility	Internal Service	2018	2017
	Fund	Fund	Funds		
Cash Flows From Operating Activities:					
Cash Received from Customers	\$ 319,710	\$ 484,818	\$ 1,392	\$ 805,920	\$ 549,953
Cash Received from Interfund Services Provided	-	-	41,308	41,308	42,700
Cash Paid to Suppliers	(376,646)	(195,031)	-	(571,677)	(158,598)
Cash Paid to Employees	(58,991)	(121,265)	-	(180,256)	(97,769)
Net Cash Provided by Operating Activities	<u>(115,927)</u>	<u>168,522</u>	<u>42,700</u>	<u>95,295</u>	<u>336,286</u>
Cash Flows From Capital and Related Financing Activities:					
Tap Fees Received	5,500	24,202	-	29,702	73,500
Debt Principal Payments	-	(210,000)	-	(210,000)	(101,290)
Interest Payments	-	(56,455)	-	(56,455)	(5,290)
Proceeds of Capital Asset Sales	1,949,492	-	-	1,949,492	382,135
Acquisition of Capital Assets	-	(790,029)	-	(790,029)	(416,497)
Cash Flows Used by Capital and Related Financing Activities	<u>1,954,992</u>	<u>(1,032,282)</u>	<u>-</u>	<u>922,710</u>	<u>(67,442)</u>
Cash Flows (Uses) From Noncapital Financing Activities:					
Other Revenues (Expense)	-	216	-	216	-
Tax Revenue	-	29,045	-	29,045	-
Cash Flows (Uses) From Investing Activities:					
Interest Received	3,524	16,076	-	19,600	2,404
Net Increase (Decrease) in Cash	(718,071)	1,742,237	42,700	1,066,866	271,248
Cash - Beginning	718,071	-	150,891	868,962	597,714
Cash - Ending	<u>\$ -</u>	<u>\$ 1,742,237</u>	<u>\$ 193,591</u>	<u>\$ 1,935,828</u>	<u>\$ 868,962</u>
Cash	\$ -	\$ 135,169	\$ 193,591	\$ 328,760	\$ 355,845
Investments	-	1,607,068	-	1,607,068	433,626
Restricted Cash and Investments	-	-	-	-	79,491
Total	<u>\$ -</u>	<u>\$ 1,742,237</u>	<u>\$ 193,591</u>	<u>\$ 1,935,828</u>	<u>\$ 868,962</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:					
Operating Income (Loss)	\$ 70,393	\$ (4,137)	\$ 33,750	\$ 100,006	\$ 78,479
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation Expense	-	190,017	8,950	198,967	105,194
Changes in Assets and Liabilities Related to Operations:					
(Increase) Decrease in:					
Utility Receivable	36,445	(98,157)	-	(61,712)	(833)
Accounts Receivable	965	(10,586)	-	(9,621)	(965)
(Increase) Decrease in:					
Accounts Payable	(1,718)	13,112	-	11,394	(630)
Accrued Liabilities	(203,974)	-	-	(203,974)	152,274
Accrued Salaries and Benefits	(7,652)	9,099	-	1,447	545
Unearned Revenue	-	-	-	-	-
Accrued Compensated Absences	(10,386)	12,160	-	1,774	2,222
Other Deferred Inflows	-	57,014	-	57,014	-
Total Adjustments	<u>(186,320)</u>	<u>172,659</u>	<u>8,950</u>	<u>(4,711)</u>	<u>257,807</u>
Net Cash Used for Operating Activities	<u>\$ (115,927)</u>	<u>\$ 168,522</u>	<u>\$ 42,700</u>	<u>\$ 95,295</u>	<u>\$ 336,286</u>

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

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

REPORTING ENTITY

The Town is a political subdivision of the State of Colorado governed by a five member board of trustees. The Town is a full-service entity providing public safety, public works, and parks and recreation services as well as providing water services.

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit or burden on the Town
- there is fiscal dependency by the organization on the Town

Based upon the application of these criteria, no additional organizations are includable within the Town's reporting entity. The previously reported blended component unit, The Fairplay Capital Leasing Corporation, no longer reports any activity.

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the government's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, the Town reports the following major governmental funds:

General Fund

The General Fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and Town administration.

In the fund financial statements, the Town reports the following nonmajor governmental funds:

Special Revenue Fund

This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town's special revenue fund is as follows:

Conservation Trust Fund (Nonmajor)

This fund accounts for funds received through the State of Colorado Lottery/Conservation Trust Fund program. These funds are required to be spent on parks and recreation.

Proprietary Fund

The Town also reports the following proprietary funds:

Enterprise Funds - Water Fund

This fund accounts for the activities related to offering water service to the Town's residents. The operations for the Water fund were transferred to the Utility Fund in 2018.

Utility Fund

This fund accounts for the activities related to distribution and collection of water related to water and sewer services to the Town's residents.

Internal Service Funds – Internal Service Fund (Nonmajor)

This fund accounts for the purchase and maintenance of vehicles used by the Town.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS (Continued)

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

BUDGETS AND BUDGETARY ACCOUNTING

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- 1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- 2) Certification of mill levies to the County Commissioners by December 15 of each year.
- 3) Final adoption of the budget and appropriations by December 31 of each year.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

Cash and Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Allowance for Doubtful Accounts

Based upon a review of the existing accounts receivable and the fact that any uncollectible water receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE
(Continued)**

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.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town did not retroactively report infrastructure when those accounting standards were adopted.

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.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

Buildings	10 – 50 years
Infrastructure	20 years
Vehicles	5 – 10 years
Machinery and Equipment	3 – 20 years
Water System	15 – 100 years

Accumulated Unused Leave/Compensated Absences

The Town permits an employee to carry over unused personal leave to the next calendar year. The Town will compensate an employee for any unused personal time upon termination or resignation. The Town has reported the change in liability for unused personal time in Note 4.

Deferred Outflows and Inflows of Resources

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town reports deferred outflows related to pension liabilities as further described in Note 5.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE
(Continued)**

Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position and governmental balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government reports several items, one of which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred inflows related to property taxes and prepaid sales tax licenses, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. Sales tax licenses will be reported as revenue in the subsequent year to match the period the licenses is for. In addition, the Town reports deferred inflows related to pension liabilities as further described in Note 5.

Net Position/Fund Equity

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts 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 Trustees, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE
(Continued)**

Net Position/Fund Equity (Continued)

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Equity Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

REVENUES AND EXPENDITURES/EXPENSES

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

TOWN OF FAIRPLAY, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUES AND EXPENDITURES/EXPENSES

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish 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 principal ongoing operations. The principal operating revenues of the water fund and internal service fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments is as follows:

Cash	\$ 836,667
Cash on Hand	200
Investments	<u>1,968,325</u>
Total Cash and Investments	<u>\$ 2,805,192</u>

These funds are allocated in the financial statements as follows:

Cash and Investments	\$ 2,738,221
Restricted Cash and Investments	<u>66,971</u>
Total Cash and Investments	<u>\$ 2,805,192</u>

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

The Town's deposits and cash held are comprised of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 495,173	\$ 495,173
PDPA Secured (Not in Entity's Name)	370,060	341,495
Petty Cash	-	<u>200</u>
Total Cash	<u>\$ 865,233</u>	<u>\$ 836,867</u>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered 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.

Investments

Credit Risk

The Town invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are:

- 1) Safety,
- 2) Liquidity, and
- 3) Yield.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk (Continued)

The Town Treasurer is responsible for all of the investments of the Town.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year ended December 31, 2018, the Town invested funds in the Colorado Surplus Asset Fund (CSAFE) and Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor's Corporation.

Interest Rate Risk

The Town manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the Board of Trustees.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.
Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the Town did not have any securities requiring safekeeping.

TOWN OF FAIRPLAY, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Restricted Cash and Investments

The Town has restricted cash and investments as follows:

Restricted - Escrow Deposits	\$	49,709
Restricted - Conservation Trust		<u>17,262</u>
Total Restricted Cash		66,971
Unrestricted		<u>2,738,221</u>
Total Cash	\$	<u>2,805,192</u>

NOTE 3: CAPITAL ASSETS

Changes in governmental activities capital assets for the year were as follows:

	<u>Balance 1/1/18</u>	<u>Additions</u>	<u>Deletions & Transfers</u>	<u>Balance 12/31/18</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 854,960	\$ -	\$ -	\$ 854,960
Construction in progress	-	52,749	-	52,749
Total capital assets not being depreciated	<u>854,960</u>	<u>52,749</u>	<u>-</u>	<u>907,709</u>
Capital assets being depreciated:				
Buildings and Improvements	788,625	-	-	788,625
Infrastructure	293,625	-	-	293,625
Streets Vehicles and Equipment	213,115	-	-	213,115
Police Vehicles and Equipment	95,333	-	-	95,333
Office Equipment & Software	20,596	-	-	20,596
Improvements - Parks	442,737	-	-	442,737
Equipment - Parks and Recreation	121,751	-	-	121,751
Equipment - Fleet	147,468	-	-	147,468
Total capital assets being depreciated	<u>2,123,250</u>	<u>-</u>	<u>-</u>	<u>2,123,250</u>
Less accumulated depreciation for:				
Buildings and Improvements	(136,479)	(17,196)	-	(153,675)
Infrastructure	(259,125)	(5,750)	-	(264,875)
Streets Vehicles and Equipment	(207,262)	(1,321)	-	(208,583)
Police Vehicles and Equipment	(70,964)	(6,289)	-	(77,253)
Office Equipment & Software	(17,507)	(3,089)	-	(20,596)
Improvements - Parks	(170,853)	(16,193)	-	(187,046)
Equipment - Parks and Recreation	(121,751)	-	-	(121,751)
Equipment - Fleet	(20,364)	(8,950)	-	(29,314)
Total Accumulated Depreciation	<u>(1,004,305)</u>	<u>(58,788)</u>	<u>-</u>	<u>(1,063,093)</u>
Governmental activities capital assets, net	<u>\$ 1,773,905</u>	<u>\$ (6,039)</u>	<u>\$ -</u>	<u>\$ 1,767,866</u>

TOWN OF FAIRPLAY, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation has been allocated on the statement of activities as follows:

General Government	\$ 20,285
Public Safety	6,289
Public Works	7,071
Parks and Recreation	16,193
Fleet Internal Service Fund	<u>8,950</u>
Total Governmental Activity Depreciation	<u>\$ 58,788</u>

A summary of business-type activities capital assets at December 31, 2018 is as follows:

	<u>Balance 1/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/18</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 75,740	\$ 62,372	\$ -	\$ 138,112
Construction in progress	<u>64,883</u>	<u>511,965</u>	-	<u>576,148</u>
Total capital assets not being depreciated	<u>139,923</u>	<u>574,337</u>	-	<u>714,260</u>
Capital assets being depreciated:				
Buildings	141,450	112,189	-	253,639
Machinery & Equipment	101,732	187,929	-	289,661
Software and Meter Reading System	157,967	-	-	157,967
Transmission System & Lines	2,307,114	1,036,418	-	3,343,532
Water Treatment Plant	501,975	-	-	501,975
Sewer Treatment Plant	-	3,628,605	-	3,628,605
Galley System	604,409	-	-	604,409
Ditch/Drainage System	52,822	-	-	52,822
Fire Hydrants	<u>20,707</u>	<u>33,171</u>	-	<u>53,878</u>
Total capital assets being depreciated	<u>3,888,176</u>	<u>4,998,312</u>	-	<u>8,886,488</u>
Less accumulated depreciation for:				
Buildings	(68,614)	(5,268)	-	(73,882)
Machinery & Equipment	(101,732)	(5,516)	-	(107,248)
Software and Meter Reading System	(114,021)	(14,648)	-	(128,669)
Transmission System & Lines	(991,160)	(49,708)	-	(1,040,868)
Water Treatment Plant	(253,678)	(17,973)	-	(271,651)
Sewer Treatment Plant	-	(72,572)	-	(72,572)
Galley System	(518,523)	(21,973)	-	(540,496)
Ditch/Drainage System	(16,319)	(1,218)	-	(17,537)
Fire Hydrants	<u>(14,558)</u>	<u>(1,140)</u>	-	<u>(15,698)</u>
Total Accumulated Depreciation	<u>(2,078,605)</u>	<u>(190,016)</u>	-	<u>(2,268,621)</u>
Business-type activities capital assets, net	<u>\$ 1,949,494</u>	<u>\$ 5,382,633</u>	<u>\$ -</u>	<u>\$ 7,332,127</u>

TOWN OF FAIRPLAY, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

NOTE 4: BONDS, NOTES AND LEASES PAYABLE

BUSINESS-TYPE ACTIVITIES

The following is a schedule of changes in debt for the year ended December 31, 2018:

Business-type Activities:	Balance 12/31/17	Additions	Deletions	Balance 12/31/18	Current Portion	Interest Expense
2018 Vectra Note Payable	\$ -	\$ 3,745,300	\$ 210,000	\$ 3,535,300	\$ 203,400	\$ 61,474
Accrued Compensated Absence	10,386	1,774	-	12,160	-	-
Total	\$ 10,386	\$ 3,747,074	\$ 210,000	\$ 3,547,460	\$ 203,400	\$ 61,474

Business-type activity bonds, notes and capital leases payable consist the following:

Note Payable – Vectra Bank Note Payable - 2018

On June 27, 2018, the Town issued a note payable in the amount of \$3,745,300 for the acquisition of capital and operations from Fairplay Sanitation District. The note requires semi-annual payments ranging from \$260,495 to \$620,868 on June 15th and December 15th, beginning on December 15, 2018 through December 2031. The notes bear an interest rate of 3.23% per annum. Payments will be made through the Utility Fund. The note is secured by the assets purchased from the Fairplay Sanitation District by the Town.

The following is a summary of required annual debt service payments:

Year	Principal	Interest	Total
2019	\$ 203,400	\$ 114,190	\$ 317,590
2020	209,900	107,620	317,520
2021	216,700	100,841	317,541
2022	223,700	93,841	317,541
2023	231,000	86,616	317,616
2024-2028	1,271,600	316,236	1,587,836
2029-2031	1,179,000	86,871	1,265,871
Total	\$ 3,535,300	\$ 906,215	\$ 4,441,515

GOVERNMENTAL ACTIVITIES

The following is a summary of governmental activity long-term debt.

Governmental Activities:	Balance 12/31/17	Additions	Deletions	Balance 12/31/18	Current Portion	Interest Expense
2016 Capital Leases Payable	\$ 209,006	\$ -	\$ 23,616	\$ 185,390	\$ 21,452	\$ 5,513
2012 Certificates of Participation	333,961	-	15,937	318,023	16,673	14,997
Accrued Compensated Absence	18,751	-	373	18,378	-	-
Total	\$ 561,718	\$ -	\$ 39,926	\$ 521,791	\$ 38,125	\$ 20,510

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 4: BONDS, NOTES, AND LEASES PAYABLE (Continued)

GOVERNMENTAL ACTIVITIES (Continued)

Certificates of Participation

On December 28, 2012, the Town issued \$405,000 of certificates of participation for the acquisition and remodeling of the property located at 901 Main Street. The certificates require semi-annual payments of \$15,497 on June 1 and December 1, beginning on June 1, 2013 through December 2032. The certificates bear an interest rate of 4.5% per annum. Payments will be made through the General Fund. These certificates were issued through the Fairplay Capital Leasing Corporation and subsequently leased to the Town. As the Fairplay Capital Leasing Corporation solely benefits the Town and only activity is collection of rent and payment of debt service, all activity has been eliminated in the financial statement presentation.

The following is a summary of required annual debt service payments:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 203,400	\$ 114,190	\$ 317,590
2020	209,900	107,620	317,520
2021	216,700	100,841	317,541
2022	223,700	93,841	317,541
2023	231,000	86,616	317,616
2024-2028	1,271,600	316,236	1,587,836
2029-2031	1,179,000	86,871	1,265,871
Total	\$ 3,535,300	\$ 906,215	\$ 4,441,515

Capital Leases Payable

In 2014, the Town entered into a capital lease agreement for the purchase of a copier. The lease was for \$15,446, and requires 60 monthly payments of \$284. The lease bears interest at 2.8%. All payments related to this lease will be made by the General Fund and are included along with monthly maintenance charges in equipment rentals in the financial statements. The Town has capitalized assets with a remaining basis of \$3,089 related to the lease.

The following is a schedule of the future minimum lease payments required under the capital lease for the copier purchase, and the present value of the remaining payments as of December 31, 2018:

<u>Year</u>	<u>Amount</u>
2019	\$ 567
Imputed Interest	(3)
Present Value FMLP	\$ 564

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 4: BONDS, NOTES, AND LEASES PAYABLE (Continued)

GOVERNMENTAL ACTIVITIES (Continued)

Capital Leases Payable (Continued)

In 2016, the Town entered into an equipment lease/purchase agreement for the purchase of land. The lease was for \$225,000 and requires semi-annual payments of \$12,995. All payments related to this lease will be made by the General Fund. The Town has capitalized assets with a remaining basis of \$450,000 related to the lease. The lease is additionally secured by Town equipment with a remaining basis of \$136,235.

The following is a schedule of the future lease payments required under the capital lease for the equipment lease/purchase agreement, and the remaining principal and interest remaining as of December 31, 2018:

Year	Certificates of Participation		Total
	Principal	Interest	
2019	\$ 16,673	\$ 14,321	\$ 30,994
2020	17,404	13,590	30,994
2021	18,245	12,749	30,994
2022	19,087	11,907	30,994
2023	19,968	11,026	30,994
2024-2028	114,489	40,479	154,968
2029-2032	112,158	11,816	123,974
Total	\$ 318,024	\$ 115,888	\$ 433,912

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan

FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2017, that can be obtained at:

http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

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

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

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

General Information about the Pension Plan

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 17 percent through 2015. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8.5 percent through 2016. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022. The Town is not an affiliated social security employer.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$7,645 for the plan year ended December 31, 2017 and \$8,454 for the fiscal year ended December 31, 2018. The current year contributions will be expensed in 2018 for FPPA purposes and are a timing difference at year end.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Town reported an asset of \$25,991 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension asset was based on Town's contributions to the SWDB for the calendar year 2017 relative to the total contributions of participating employers to the SWDB.

At December 31, 2018, the Town's proportion was .018066%, which was a decrease of .010965% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension revenue of \$5,629. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions(Continued)

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 21,878	\$ (438)
Changes of assumptions or other inputs	\$ 6,315	\$ -
Net difference between projected and actual earnings on pension plan	\$ 19,414	\$ (20,902)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 2,991	\$ (4,953)
Contributions subsequent to the measurement date	\$ 7,645	\$ -
Total	\$ 58,243	\$ (26,293)

\$7,645 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2019	\$ 7,006
2020	6,396
2021	347
2022	(1,888)
2023	3,337
2024-2028	9,107
Total	\$ 24,305

Actuarial assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.50%
Salary increase, including wage inflation	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB is used in the projection of post-retirement benefits.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study adopted by FPPA's Board in July 2011. The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

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

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

TOWN OF FAIRPLAY, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Illiquid Alternatives	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	2.00%	2.26%
Total	100.00%	

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

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset (liability)	\$ (28,297)	\$ 25,991	\$ 71,070

DEFINED CONTRIBUTION PLAN

The Town provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The plan is administered by ICMA Retirement Corporation, and covers all full-time Town employees excluding police officers. Employees are eligible to participate immediately. A contractual agreement between the Town and ICMA requires the Town to contribute an amount equal to three percent of all employees' salaries, and a mandatory employee contribution of three percent. The Town's contributions for each employee become fully vested after five years of service. These contributions are paid to ICMA and ICMA administers the plan. The Town made the required contributions of 3.00% for employees amounting to a total of \$14,641 and plan members contributed a total of \$14,641 for the year ending December 31, 2018.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

DEFERRED COMPENSATION PLAN

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Sec. 457. The plan is administered by ICMA-RC. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. Employees contributed \$34,795 to this plan for the fiscal year. There were no employer contributions.

NOTE 6: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2018.

NOTE 7: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS

Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The Town's financial activity for the year ended December 31, 2018 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At an April 2, 1996 election, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1996, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

TOWN OF FAIRPLAY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 7: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS (Continued)

Tax Spending and Debt Limitations (Continued)

The Article requires an emergency reserve be set aside for 2018 in the amount of 3% or more of its fiscal year spending. At December 31, 2018, the Town has reserved the following for emergencies:

General Fund	\$ <u>47,000</u>
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Other Restrictions

The Town has also restricted the fund balance in its Conservation Trust Fund as its use is limited by statute.

NOTE 8: RISK MANAGEMENT

The Town of Fairplay, Colorado carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions.

The Town carries all insurance through commercial insurance carriers. Risk of loss is transferred to those carriers.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2018.

NOTE 9: SPECIAL ITEM – PURCHASE OF OPERATIONS FROM FAIRPLAY SANITATION

Pursuant to GASB Statement Number 69 – Government Combinations and Disposals of Government Operation, effective June 25, 2018, Fairplay Sanitation District sold all of its operations, including all existing assets, to the Town of Fairplay, Colorado in exchange for the Town repaying the District's outstanding debt obligations. The Town was able to complete the debt repayment on June 27, 2018.

A summary of the transaction is as follows:

Cash and Investments	\$ 1,011,720
Utility and Tax Receivables	42,415
Receivable from Town of Fairplay	81,800
Net Capital Assets	<u>5,027,515</u>
Net Assets Sold	6,163,450
Consideration Provided by Town (Debt Repay)	<u>(3,427,684)</u>
Net Contribution to Town of Fairplay	2,735,766
Closing Costs Paid By District	<u>73,503</u>
Total Special Item - Purchase of Operations	<u>\$ 2,809,269</u>

**REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)**

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TOWN OF FAIRPLAY

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Town's proportion of the net pension asset (liability)</u>	<u>Town's proportionate share of the net pension asset (liability)</u>	<u>Town's covered employee payroll</u>	<u>Town's proportionate share of the net pension asset (liability) as a</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2014	0.032846%	\$ 29,370	\$ 142,663	20.59%	105.83%
December 31, 2015	0.002750%	\$ 31,031	\$ 123,650	25.10%	106.83%
December 31, 2016	0.029132%	\$ 514	\$ 141,225	0.36%	100.10%
December 31, 2017	0.029031%	\$ (10,490)	\$ 148,575	7.06%	98.21%
December 31, 2018	0.018066%	\$ 25,991	\$ 105,675	24.60%	106.34%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

Fiscal Year Ended	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	Town's covered- employee payroll	Contributions as a percentage of covered payroll
December 31, 2014	\$ 11,413	(11,413)	\$ -	\$ 142,663	8.00%
December 31, 2015	\$ 9,892	(9,892)	\$ -	\$ 123,650	8.00%
December 31, 2016	\$ 11,298	(11,298)	\$ -	\$ 141,225	8.00%
December 31, 2017	\$ 11,886	(11,886)	\$ -	\$ 148,575	8.00%
December 31, 2018	\$ 8,454	(8,454)	\$ -	\$ 105,675	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULES
(Required Supplementary Information)

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TOWN OF FAIRPLAY, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			Variance With Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Property Taxes	\$ 192,172	\$ 192,172	\$ 190,401	\$ (1,771)	\$ 179,865
Specific Ownership Taxes	20,000	24,000	28,900	4,900	26,336
Sales Taxes	831,391	913,132	914,045	913	830,091
Franchise Taxes	50,000	50,000	49,271	(729)	49,270
Other Taxes	36,500	41,500	48,623	7,123	42,143
Total Tax Revenue	1,130,063	1,220,804	1,231,240	10,436	1,127,705
Intergovernmental Revenues					
Cigarette Taxes	2,200	2,400	2,651	251	2,315
Highway Users	32,000	40,000	39,559	(441)	32,249
Road and Bridge	5,600	7,000	7,309	309	7,085
Clerk/Motor Vehicle Fees	3,800	3,600	2,536	(1,064)	3,760
Mineral Lease	1,000	390	390	-	931
Severance Tax	2,500	2,317	2,317	-	4,657
State Grants	53,000	27,572	26,739	(833)	3,850
Other Intergovernmental		32,000	20,520	(11,480)	-
Total Intergovernmental Revenue	100,100	115,279	102,021	(13,258)	54,847
Licenses and Permits					
Liquor Licenses	1,750	5,755	6,105	350	2,901
Building Permits	3,240	9,120	8,729	(391)	29,233
Annexation/Other P&Z Fees	2,000	1,975	1,803	(172)	4,202
Animal Licenses	100	95	100	5	70
Business Licenses	6,000	6,700	6,750	50	6,675
Other Licenses and Permits	10,060	21,455	20,471	(984)	13,830
Total Licenses and Permits	23,150	45,100	43,958	(1,142)	56,911
Fines and Forfeits					
	35,950	3,533	3,409	(124)	16,477
Charges for Services					
Utility Charges	10,800	10,800	10,651	(149)	10,686
Recreation/Special Event Charges	26,000	28,324	49,306	20,982	53,067
Rents	15,397	16,797	18,494	1,697	15,431
Other Charges for Services	79,150	104,354	84,073	(20,281)	82,372
Total Charges for Services	131,347	160,275	162,524	2,249	161,556
Investment Earnings					
	3,285	10,520	11,091	571	3,294
Other Revenues					
Donations	8,500	9,184	9,184	-	10,562
Other Miscellaneous Revenue	6,000	7,150	7,488	338	24,077
Total Other Revenue	14,500	16,334	16,672	338	34,639
TOTAL REVENUES	1,438,395	1,571,845	1,570,915	(930)	1,455,429

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF FAIRPLAY, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018				
	Original	Final		Variance	2017
	Budget	Budget	Actual	With Final Budget	Actual
(Continued)					
EXPENDITURES					
General Government					
Personnel Services	224,310	248,268	249,080	812	176,263
Equipment Rentals	5,300	5,300	5,296	4	5,234
Fuel and Automotive	3,600	3,600	3,600	-	3,600
Insurance	14,940	14,940	14,976	(36)	14,917
Professional Fees	34,360	40,360	40,322	38	30,259
Repairs and Maintenance	15,000	15,000	10,877	4,123	17,915
Supplies	3,700	4,900	4,441	459	5,813
Telephone and Utilities	15,200	17,200	15,916	1,284	14,401
Travel and Training	8,000	15,500	15,753	(1,253)	7,266
Other Expenses	87,300	108,098	92,593	15,505	74,692
Total General Government	411,710	473,166	453,854	20,936	350,360
Public Safety					
Personnel Services	249,698	154,107	154,484	(377)	230,203
Fuel and Automotive	19,861	17,861	18,072	(211)	18,637
Professional Fees	2,000	3,000	600	2,400	2,449
Repairs and Maintenance	6,500	7,000	6,374	626	5,559
Supplies	4,000	4,000	3,932	68	9,512
Telephone and Utilities	4,200	3,000	2,641	359	2,805
Travel and Training	5,000	2,000	114	1,886	1,086
Other Expenses	12,140	14,234	8,607	5,627	15,015
Total Public Safety	403,399	205,202	194,824	10,378	285,266
Public Works					
Personnel Services	122,954	158,942	158,589	353	138,569
Equipment Rentals	16,703	16,703	16,703	-	16,703
Fuel and Automotive	3,500	3,800	4,606	(806)	3,247
Repairs and Maintenance	13,500	16,500	13,948	2,552	10,616
Supplies	19,500	26,000	19,540	6,460	11,865
Telephone and Utilities	1,800	1,845	1,695	150	1,798
Travel and Training	1,000	1,000	992	8	1,149
Total Public Works/Comm Devel	178,957	224,790	216,073	8,717	183,947
Parks, Recreation and Other					
Special Events	98,500	148,559	149,821	(1,262)	122,839
Repairs and Maintenance	8,500	8,956	8,574	382	11,732
Supplies	4,000	20,000	15,978	4,022	6,162
Telephone and Utilities	550	550	317	233	496
Other Expenses	800	1,800	1,165	635	167
Total Parks, Recreation & Other	112,350	179,865	175,855	4,010	141,396

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			Variance With Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
Capital Outlay					
General Government Capital Outlay	-	-	-	-	43,503
Public Works Capital Outlay	200,000	175,000	160,260	14,740	223,668
Parks, Recreation and Other Capital Outlay	50,000	64,000	52,749	11,251	-
Other Capital Outlay	75,000	-	-	-	-
Total Capital Outlay	325,000	239,000	213,009	25,991	267,171
Debt Service					
Principal and Interest	56,984	56,984	56,984	-	56,984
TOTAL EXPENDITURES	1,488,400	1,379,007	1,310,599	70,032	1,285,124
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ (50,005)	\$ 192,838	260,316	\$ 69,102	170,305
Budget to GAAP Basis Reconciliation					
NET CHANGE IN FUND BALANCE - GAAP BASIS			260,316		170,305
FUND BALANCE, BEGINNING			680,399		510,094
FUND BALANCE, ENDING			\$ 940,715		\$ 680,399

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

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TOWN OF FAIRPLAY, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018
With Comparative Totals for December 31, 2017

	SPECIAL REVENUE FUNDS		
	Conservation Trust Fund	Total	
		2018	2017
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Restricted Cash and Investments	\$ 20,916	\$ 20,916	17,262
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
FUND BALANCE			
Restricted Fund Balance	20,916	20,916	17,262
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 20,916	\$ 20,916	\$ 17,262

See accompanying Independent Auditors' Report.

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TOWN OF FAIRPLAY, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017

	SPECIAL REVENUE FUNDS		
	Conservation Trust Fund	Total	
		2018	2017
REVENUES			
Intergovernmental Revenues	\$ 3,620	\$ 3,620	\$ 3,434
Investment Earnings	34	34	18
TOTAL REVENUES	3,654	3,654	3,452
EXPENDITURES			
Capital Outlay		-	675
NET CHANGE IN FUND BALANCE - GAAP BASIS	3,654	3,654	2,777
FUND BALANCE, BEGINNING	17,262	17,262	14,485
FUND BALANCE, ENDING	\$ 20,916	\$ 20,916	\$ 17,262

See accompanying Independent Auditors' Report.

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TOWN OF FAIRPLAY, COLORADO

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			Variance With Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Intergovernmental Revenues					
Cons Trust Fund Revenue	\$ 3,300	\$ 3,300	\$ 3,620	\$ 320	\$ 3,434
Investment Earnings	<u>13</u>	<u>24</u>	<u>34</u>	<u>10</u>	<u>18</u>
TOTAL REVENUES	<u>3,313</u>	<u>3,324</u>	<u>3,654</u>	<u>330</u>	<u>3,452</u>
EXPENDITURES					
Capital Outlay					
Parks, Recreation and Other Capital Outlay	<u>1,000</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>675</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ 2,313</u>	<u>\$ 2,824</u>	<u>3,654</u>	<u>\$ 830</u>	<u>2,777</u>
FUND BALANCE, BEGINNING			<u>17,262</u>		<u>14,485</u>
FUND BALANCE, ENDING			<u>\$ 20,916</u>		<u>\$ 17,262</u>

See accompanying Independent Auditors' Report.

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TOWN OF FAIRPLAY, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Water Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018		Variance with Final Budget	2017	
	Final Budget	Actual		Budget	Actual
Operating Revenues					
Utility Charges	\$ 198,911	\$ 198,911	\$ -	\$ 386,486	
Other Charges for Services	83,389	83,389	-	165,265	
Total Revenues	282,300	282,300	-	551,751	
Operating Expenses					
Personnel Services	151,164	140,778	10,386	290,200	
Administrative/Office Expenses	32,143	32,144	(1)	53,504	
Operating Supplies	10,734	10,734	-	9,256	
Professional Fees	2,400	2,400	-	13,504	
Repairs and Maintenance	1,786	4,093	(2,307)	3,345	
Treatment	2,520	2,520	-	1,059	
Telephone and Utilities	6,768	6,768	-	16,465	
Other Operating Expenses	4,176	4,176	-	8,352	
Other Capital Outlay	8,294	8,294	-	49,455	
Total Expenditures	219,985	211,907	8,078	445,140	
Operating Income (Loss)	62,315	70,393	8,078	106,611	
Other Income (Expense)					
Investment Earnings	3,524	3,524	-	2,404	
Debt Service	-	-	-	(104,548)	
Total Other Income (Expense)	3,524	3,524	-	(102,144)	
Net Income (Loss), Budget Basis	65,839	73,917	8,078	4,467	
Contributed Capital					
Plant Investment Fees	5,500	5,500	-	73,500	
Total Contributed Capital	5,500	5,500	-	73,500	
Change in Net Position (Budget Basis)	\$ 71,339	79,417	\$ 8,078	77,967	
Budget to GAAP Reconciliation					
Principal Paid		-		101,290	
Depreciation Expense		-		(96,243)	
Capital Outlay		-		34,362	
Change in Net Position - GAAP Basis		79,417		117,376	
Special Item - Transfer to Utility Fund		(2,560,660)		-	
Net Position, Beginning		2,481,243		2,363,867	
Net Position, Ending		\$ -		\$ 2,481,243	

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Utility Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Operating Revenues				
Utility Charges	\$ 534,361	\$ -	\$ 530,443	\$ 530,443
Other Charges for Services	5,801	-	6,104	6,104
Total Revenues	<u>540,162</u>	<u>-</u>	<u>536,547</u>	<u>536,547</u>
Operating Expenses				
Personnel Services	177,459	-	190,515	(190,515)
Administrative/Office Expenses	11,300	-	13,220	(13,220)
Insurance	-	-	2,740	(2,740)
Operating Supplies	4,785	-	8,491	(8,491)
Professional Fees	15,976	-	16,932	(16,932)
Repairs and Maintenance	28,694	-	60,567	(60,567)
Travel and Training	1,074	-	43	(43)
Treatment	1,070	-	558	(558)
Telephone and Utilities	15,800	-	40,856	(40,856)
Other Operating Expenses	5,900	-	5,358	(5,358)
Other Capital Outlay	570,519	-	366,506	(366,506)
Total Expenditures	<u>832,577</u>	<u>-</u>	<u>705,786</u>	<u>(705,786)</u>
Operating Income (Loss)	<u>(292,415)</u>	<u>-</u>	<u>(169,239)</u>	<u>(169,239)</u>
Other Income (Expense)				
Tax Revenue	-	-	29,045	29,045
Investment Earnings	12,273	-	16,076	16,076
Other Revenue	49,000	-	216	216
Debt Service	(266,454)	-	(271,474)	(271,474)
Total Other Income (Expense)	<u>(205,181)</u>	<u>-</u>	<u>(226,137)</u>	<u>(226,137)</u>
Net Income (Loss), Budget Basis	<u>(497,596)</u>	<u>-</u>	<u>(395,376)</u>	<u>(395,376)</u>
Contributed Capital				
Plant Investment Fees	24,202	-	24,202	24,202
Intergovernmental Revenue	375,000	-	251,046	251,046
Other Capital Contributions	-	-	2,735,766	2,735,766
Total Contributed Capital	<u>399,202</u>	<u>-</u>	<u>3,011,014</u>	<u>3,011,014</u>
Change in Net Position (Budget Basis)	<u>\$ (98,394)</u>	<u>\$ -</u>	<u>2,615,638</u>	<u>\$ 2,615,638</u>
Budget to GAAP Reconciliation				
Principal Paid			210,000	
Depreciation Expense			(190,017)	
Capital Outlay			355,119	
Change in Net Position - GAAP Basis			2,990,740	
Special Item - Transfer from Water Fund			2,560,660	
Net Position, Beginning			-	
Net Position, Ending			<u>\$ 5,551,400</u>	

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

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

Internal Service Fund

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018			2017 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Internal Charges	\$ 42,700	\$ 41,308	\$ (1,392)	\$ 42,700
Other Charges for Services	-	1,392	1,392	-
Change in Net Position (Budget Basis)	<u>\$ 42,700</u>	<u>42,700</u>	<u>\$ -</u>	<u>42,700</u>
Budget to GAAP Reconciliation				
Depreciation Expense		(8,950)		(8,951)
Change in Net Position - GAAP Basis		33,750		33,749
Net Position, Beginning		277,995		244,246
Net Position, Ending		<u>\$ 311,745</u>		<u>\$ 277,995</u>

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE SECTION

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2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY18

Email address: kwittbrodt@fairplaco.us

City/County: Fairplay

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources

2. General Fund Appropriations:	\$	72,576.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	268,053.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	2,040.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 342,669.00

B. Private Contributions \$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	239,153.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	28,900.00
Total: (a + b) carried to 'Other local imposts' above		\$ 268,053.00

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	0.00
b. Traffic fines & Penalties:	\$	2,040.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above		\$ 2,040.00

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	39,559.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	2,536.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 42,095.00

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies

a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)		\$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: (from A.1.d. Total Capital Outlay below)	\$	0.00
2. Maintenance:	\$	367,633.00
3. Road and street services		
a. Traffic control operations:	\$	15,184.00
b. Snow and ice removal:	\$	1,947.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	0.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)		\$ 384,764.00

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00

b. Redemption \$ 0.00

SubTotal: (1+2) \$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways: \$ 0.00

D. Payments to Toll Facilities: \$ 0.00

Total Disbursements: (A+B+C+D) \$ 384,764.00

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.
5. Total Construction:			\$ 0.
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 0.

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DE
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliati
\$ 0.00	\$ 384,764.00	\$ 384,764.00	\$ 0.00	\$ 0.00

Notes & Comments:
undefined

Please enter your name: Kim Wittbrodt

Please provide a telephone number where you may be reached: 7198362622

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**FAIRPLAY SANITATION DISTRICT
FAIRPLAY, COLORADO**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended
DECEMBER 6, 2018**

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FINANCIAL SECTION

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Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Fairplay

on behalf of

Fairplay Sanitation District
Fairplay, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Fairplay Sanitation District as of December 5, 2018 and for the fiscal period January 1, 2018 through December 5, 2018, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 the 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 controls. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fairplay Sanitation District as of December 5, 2018, and the respective changes in financial position and, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Effective June 25, 2018, the District sold all of its remaining operations to the Town of Fairplay, Colorado as further discussed in Note 6. The District was formally dissolved December 5, 2018. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Fairplay Sanitation District's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary comparison schedules listed as other supplementary information pages 17 - 18 are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Mayberry & Company, LLC

Englewood, Colorado
February 21, 2019

BASIC FINANCIAL STATEMENTS

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FAIRPLAY SANITATION DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2018

With Comparative Totals for December 31, 2017

	<u>Total</u>	
	<u>2018</u>	<u>2017</u>
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets		
Cash and Investments		
Cash	\$ -	\$ 141,475
Investments	-	953,651
Restricted Cash and Investments	-	426,093
Receivables		
Property Tax Receivable	-	125,717
Intergovernmental Receivables	-	203,975
Utility Receivable	-	60,060
Cash with Fiscal Agent	-	1,321
Prepaid Expenses	-	4,623
Total Current Assets	-	<u>1,916,915</u>
Noncurrent Assets		
Capital Assets not being depreciated	-	62,373
Capital Assets being depreciated	-	7,759,998
Accumulated Depreciation	-	<u>(2,680,430)</u>
Total Noncurrent Assets	-	<u>5,141,941</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ <u>7,058,856</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ -	\$ 864
Accrued Interest Payable	-	13,554
Total Current Liabilities	-	<u>14,418</u>
Noncurrent Liabilities		
Due within one year	-	218,606
Due in more than one year	-	<u>3,872,018</u>
Total Noncurrent Liabilities	-	<u>4,090,624</u>
TOTAL LIABILITIES	-	<u>4,105,042</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES		
Deferred Property Taxes	-	125,717
Other Deferred Inflows	-	<u>51,716</u>
TOTAL DEFERRED INFLOWS	-	<u>177,433</u>
NET POSITION		
Net Investment in Capital Assets	-	1,051,317
Restricted Net Position	-	426,093
Unrestricted Net Position	-	<u>1,298,971</u>
TOTAL NET POSITION	-	<u>2,776,381</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ -	\$ <u>7,058,856</u>

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

FAIRPLAY SANITATION DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017**

	Total	
	2018	2017
Operating Revenues		
Utility Charges	\$ 323,517	\$ 686,554
Other Charges for Services	3,551	7,988
Total Revenues	<u>327,068</u>	<u>694,542</u>
Operating Expenses		
Personnel Services	77,974	148,515
Administrative/Office Expenses	3,753	7,791
Insurance	4,623	6,997
Operating Supplies	7,045	8,521
Professional Fees	12,635	9,682
Repairs and Maintenance	54,014	109,557
Travel and Training	114	1,008
Telephone and Utilities	32,532	60,342
Other Operating Expenses	534	4,112
Depreciation Expense	142,723	280,756
Total Expenditures	<u>335,947</u>	<u>637,281</u>
Operating Income (Loss)	<u>(8,879)</u>	<u>57,261</u>
Other Income (Expense)		
Tax Revenue	116,148	145,049
Investment Earnings	12,470	16,086
Debt Service	(93,702)	(199,148)
Total Other Income (Expense)	<u>34,916</u>	<u>(38,013)</u>
Net Income (Loss)	<u>26,037</u>	<u>19,248</u>
Contributed Capital		
Plant Investment Fees	6,851	113,574
Change in Net Position	<u>32,888</u>	<u>132,822</u>
Special Item - Contribution to Town of Fairplay	(2,809,269)	-
Net Position, Beginning	<u>2,776,381</u>	<u>2,643,559</u>
Net Position, Ending	<u>\$ -</u>	<u>\$ 2,776,381</u>

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

FAIRPLAY SANITATION DISTRICT

**STATEMENT OF CASH FLOWS -
FOR THE YEAR ENDED DECEMBER 31, 2018
With Comparative Totals for the Year Ended December 31, 2017**

	Total	
	2018	2017
Cash Flows From Operating Activities:		
Cash Received from Customers	\$ 415,171	\$ 545,082
Cash Paid to Suppliers	(189,463)	(361,444)
Net Cash Provided by Operating Activities	<u>225,708</u>	<u>183,638</u>
Cash Flows From Capital and Related Financing Activities:		
Tap Fees Received	6,851	113,574
Debt Principal Payments	(662,940)	(213,606)
Interest Payments	(107,256)	(199,950)
Acquisition of Capital Assets	(28,298)	(29,200)
Cash Flows Used by Capital and Related Financing Activities	<u>(791,643)</u>	<u>(329,182)</u>
Cash Flows (Uses) From Noncapital Financing Activities:		
Net Cash Transfer to Town of Fairplay	(1,011,720)	-
Closing costs paid upon transfer to Town of Fairplay	(73,503)	-
Tax Revenue	<u>117,469</u>	<u>144,943</u>
Cash Flows (Uses) From Investing Activities:		
Interest Received	<u>12,470</u>	<u>16,086</u>
Net Increase (Decrease) in Cash	(1,521,219)	15,485
Cash - Beginning	1,521,219	1,505,734
Cash - Ending	<u>\$ -</u>	<u>\$ 1,521,219</u>
Cash	\$ -	\$ 141,475
Investments	-	953,651
Restricted Cash and Investments	-	426,093
Total	<u>\$ -</u>	<u>\$ 1,521,219</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:		
Operating Income (Loss)	\$ (8,879)	\$ 57,261
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation Expense	142,723	280,756
Changes in Assets and Liabilities Related to Operations:		
(Increase) Decrease in:		
Intergovernmental Receivables	122,174	(152,275)
Utility Receivable	17,645	8,759
Prepaid Expenses	4,623	(38)
(Increase) Decrease in:		
Accounts Payable	(862)	(4,880)
Other Deferred Inflows	(51,716)	(5,945)
Total Adjustments	<u>234,587</u>	<u>126,377</u>
Net Cash Used for Operating Activities	<u>\$ 225,708</u>	<u>\$ 183,638</u>

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

**FAIRPLAY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 5, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Function of Organization

The Fairplay Sanitation District is a political subdivision of the State of Colorado governed by a five member board of directors. The District was established to provide sanitary sewer services to the Town of Fairplay and surrounding area. Fairplay Sanitation District (the District) is a Colorado governmental unit operating in accordance with Colorado statute. The District was established to provide sewer treatment services to properties located within its boundaries.

Effective June 25, 2018, the District sold its entire operation, including all related assets to the Town of Fairplay, Colorado, (the "Town"), in exchange for the Town's agreement to repay the District's outstanding debt obligations. The debt repayment was closed on June 27, 2018. The District was formally dissolved on December 5, 2018. This transaction is further described in Note 6.

The significant accounting policies utilized are detailed below.

Financial Reporting Entity

The District applies the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, and as subsequently amended to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents, and the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units.

The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to: fiscal dependency, imposition of will, legal standing, and the primary recipient of services. Based on these criteria, the District has no includable component units. The District is also not included in the financial statements of any other entity.

Basic Financial Statements

As a special purpose government, basic financial statements are presented at the activity level.

Activity level financial statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position, the Statement of Change in Fund Net Position, and the Statement of Cash Flows.

As a special purpose government, the District has only one fund, an enterprise/proprietary fund which is also considered its business type activity. The District does not present any other fund or activity information.

**FAIRPLAY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 5, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Enterprise fund accounting is utilized in accordance with accounting principles generally accepted in the United States of America. Enterprise funds recognize revenues and expenses on the accrual basis of accounting where revenues are recorded when earned and expenses are recorded when incurred.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District follows the provisions of Governmental Accounting Standards Board (GASB) *Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*. *Statement No. 34* establishes standards for external financial reporting for all state and local governmental entities which includes a management's discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as all bank and investment account balances with liquidity of three months or less. All cash balances were remitted to the Town as part of the sale of operations.

Accumulated Unpaid Leave (Compensated Absences)

The District did not have any employees during the current fiscal year, therefore no accrual for compensated absences was reflected.

Receivables/Deferred Inflows

Receivables consist of all revenues earned at year-end and not yet received. At the end of operations, these receivables consisted of uncollected service fees and property held by the County Treasurer. All receivables were transferred to the Town upon the sale of operations.

**FAIRPLAY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 5, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Assets are stated at cost or fair market value in case of donated assets. Depreciation is taken on these assets over their estimated remaining useful lives using the straight-line method. These assets primarily represent property, plant and equipment depreciated over a period of 5 to 50 years. Depreciation begins in the year following completion for assets under construction. All capital assets were sold to the Town as part of the sale of operations.

Equity

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets." This net position is available for future operations or distributions.

It is the District's policy to fund operations through the most restricted available equity first.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Property Taxes were remitted to the District through June 2018. Taxes collected by the County Treasurer for June and remitted in July were reported as revenue by the District and reported as a receivable that was subsequently sold to the Town.

**FAIRPLAY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 5, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- 1) Submission of the proposed budget to the Board of Directors by October 15 of each year.
- 2) Certification of mill levies to the County Commissioners by December 15 of each year.
- 3) Final adoption of the budget and appropriations by December 31 of each year.

The District does not utilize encumbrance accounting and all appropriations lapse at year end.

The District does not budget for depreciation and did not budget for the disposal of operations transaction.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2: CASH AND INVESTMENTS

During the fiscal period ending December 5, 2018, the District transferred all outstanding bank and investment balances to the Town of Fairplay in conjunction with the sale of operations further described in Note 6.

**FAIRPLAY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 5, 2018**

NOTE 3: CAPITAL ASSETS

Changes in capital assets for the year were as follows:

	<u>Balance</u> <u>12/31/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/18</u>
Capital Assets:				
Land - Nondepreciable	\$ 62,373	\$ -	\$ 62,373	\$ -
Being Depreciated:				
Line and Land Improvements	1,390,717	-	1,390,717	-
Buildings	210,214	-	210,214	-
Equipment and plant	<u>6,159,067</u>	<u>28,298</u>	<u>6,187,365</u>	<u>-</u>
Total Capital Assets	<u>7,759,998</u>	<u>28,298</u>	<u>7,788,296</u>	<u>-</u>
Accumulated Depreciation:				
Improvements	(307,168)	(15,120)	(322,288)	-
Buildings	(89,350)	(3,482)	(92,832)	-
Equipment and plant	<u>(2,003,156)</u>	<u>(124,122)</u>	<u>(2,127,278)</u>	<u>-</u>
Total Accumulated Depreciation	<u>(2,399,674)</u>	<u>(142,724)</u>	<u>(2,542,398)</u>	<u>-</u>
Net Assets being depreciated	<u>5,360,324</u>	<u>(114,426)</u>	<u>5,245,898</u>	<u>-</u>
Total Capital Assets, net	<u>\$ 5,422,697</u>	<u>\$ (114,426)</u>	<u>\$ 5,308,271</u>	<u>\$ -</u>

Depreciation expense for the year ended December 31, 2018 was \$142,724. The District recorded six months depreciation on its capital assets prior to sale to the Town of Fairplay on June 25, 2018.

**FAIRPLAY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 5, 2018**

NOTE 4: LONG TERM DEBT

A summary of long term debt activity for the year ended December 31, 2018 is as follows:

	<u>Balance</u> <u>12/31/17</u>	<u>Advances</u>	<u>District</u> <u>Repayments</u>	<u>Town</u> <u>Repayments</u>	<u>Balance</u> <u>12/31/18</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
Business-type Activities:							
2006 Revenue Bonds	\$ 2,815,000	\$ -	\$ -	\$ 2,815,000	\$ -	\$ -	\$ 72,136
2008 CWRPDA Note	1,275,624	-	662,939	612,685	-	-	21,566
Total Long-Term Debt	\$ 4,090,624	\$ -	\$ 662,939	\$ 3,427,685	\$ -	\$ -	\$ 93,702

Revenue Bonds

In December 2006, the District issued \$3,435,000 of Wastewater Revenue Bonds. The bonds bear interest at rates ranging from 4.9% to 5.25%. Principal payments are due annually in December with interest payments due semiannually in June and December. The first payment was due June 15, 2007. The bonds contain a pledge of sewer revenues.

The District made the scheduled interest payment in June 2018 and then contributed an additional \$4,891 to paid accrued interest through June 27, 2018. The Town of Fairplay repaid the \$2,815,000 outstanding balance on June 27, 2018 as part of the sale of operations further described in Note 6.

Note Payable

During 2008, the District entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of \$2,000,000. The debt will be repaid through a general obligation pledge passed by the District's voters in 2006. The loan bears interest at 3.5% per annum and requires semi-annual principal and interest payment of \$70,358 on May 1 and November 1 of each year through November 2028.

The District made the regularly scheduled May 1st payment during 2018 and then contributed an additional \$621,587 from existing reserves, consisting of accrued interest of \$6,683 through June 27, 2018 and an additional principal payment of \$614,904. The Town then repaid the remaining outstanding principal of \$612,684 as part of the sale of operations further discussed in Note 6.

**FAIRPLAY SANITATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 5, 2018**

NOTE 5: RISK MANAGEMENT

The District carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions.

The District carries liability, property and bond coverage through commercial insurance carriers. Risk of loss is transferred to these carriers.

The District has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the District has not recorded any liability for unpaid claims at December 5, 2018.

NOTE 6: SPECIAL ITEM - SALE OF OPERATIONS TO THE TOWN OF FAIRPLAY

Pursuant to GASB Statement Number 69 – Government Combinations and Disposals of Government Operation, effective June 25, 2018, Fairplay Sanitation District sold all of its operations, including all existing assets, to the Town of Fairplay, Colorado in exchange for the Town repaying the District's outstanding debt obligations. The Town was able to complete the debt repayment on June 27, 2018.

A summary of the transaction is as follows:

Cash and Investments	\$ 1,011,720
Utility and Tax Receivables	42,415
Receivable from Town of Fairplay	81,800
Net Capital Assets	<u>5,027,515</u>
Net Assets Sold	6,163,450
Consideration Provided by Town (Debt Repay)	<u>(3,427,684)</u>
Net Contribution to Town of Fairplay	2,735,766
Closing Costs Paid By District	<u>73,503</u>
Total Special Item - Sale of Operations	<u>\$ 2,809,269</u>

OTHER SUPPLEMENTARY INFORMATION

DRAFT

FAIRPLAY SANITATION DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Debt Service Department

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018		Variance with Final Budget	2017	
	Final Budget	Actual		Budget	Actual
Other Income (Expense)					
Tax Revenue	\$ 140,717	\$ 116,148	\$ (24,569)	\$ 145,049	
Investment Earnings	-	113	113	600	
Debt Service	(140,717)	(684,506)	(543,789)	(140,171)	
Change in Net Position (Budget Basis)	\$ -	(568,245)	\$ (568,245)	5,478	
Budget to GAAP Reconciliation					
Principal Paid		662,940		93,606	
Change in Net Position - GAAP Basis		94,695		99,084	
Net Position, Beginning		(1,276,772)		(1,375,856)	
Net Position, Ending		\$ -		\$ (1,276,772)	

See accompanying Independent Auditors' Report.

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FAIRPLAY SANITATION DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

BUDGET AND ACTUAL

Operations Department

FOR THE YEAR ENDED DECEMBER 31, 2018

With Comparative Totals for the Year Ended December 31, 2017

	2018		Variance with Final Budget	2017 Actual
	Final Budget	Actual		
Operating Revenues				
Utility Charges	\$ 649,250	\$ 323,517	\$ (325,733)	\$ 686,555
Other Charges for Services	7,050	3,551	(3,499)	7,988
Total Revenues	<u>656,300</u>	<u>327,068</u>	<u>(329,232)</u>	<u>694,543</u>
Operating Expenses				
Personnel Services	160,939	77,974	82,965	148,515
Administrative/Office Expenses	10,550	3,753	6,797	7,791
Insurance	7,100	4,523	2,477	6,997
Operating Supplies	8,500	7,045	1,455	8,521
Professional Fees	16,000	12,635	3,365	9,682
Repairs and Maintenance	129,284	54,014	75,270	109,557
Travel and Training	1,000	114	886	1,008
Telephone and Utilities	55,100	32,532	22,568	60,342
Other Operating Expenses	6,900	534	6,366	4,113
Other Capital Outlay	43,000	28,298	14,702	29,200
Contingency Reserve	20,000	-	20,000	-
Total Expenditures	<u>458,373</u>	<u>221,522</u>	<u>236,851</u>	<u>385,726</u>
Operating Income (Loss)	<u>197,927</u>	<u>105,546</u>	<u>(92,381)</u>	<u>308,817</u>
Other Income (Expense)				
Investment Earnings	15,000	12,357	(2,643)	15,486
Debt Service	(271,718)	(72,136)	199,582	(272,583)
Total Other Income (Expense)	<u>(256,218)</u>	<u>(59,779)</u>	<u>196,439</u>	<u>(257,097)</u>
Net Income (Loss), Budget Basis	<u>(58,291)</u>	<u>45,767</u>	<u>104,058</u>	<u>51,720</u>
Contributed Capital				
Plant Investment Fees	-	6,851	6,851	113,574
Change in Net Position (Budget Basis)	<u>\$ (58,291)</u>	<u>52,618</u>	<u>\$ 110,909</u>	<u>165,294</u>
Budget to GAAP Reconciliation				
Principal Paid		-		120,000
Depreciation Expense		(142,723)		(280,756)
Capital Outlay		28,298		29,200
Change in Net Position - GAAP Basis		<u>(61,807)</u>		<u>33,738</u>
Special Item - Contribution to Town of Fairplay		<u>(3,991,346)</u>		<u>-</u>
Net Position, Beginning		<u>4,053,153</u>		<u>4,019,415</u>
Net Position, Ending		<u>\$ -</u>		<u>\$ 4,053,153</u>

See accompanying Independent Auditors' Report.



MEMORANDUM

TO: Mayor and Board of Trustees

FROM: Tina Darrah, Town Administrator/Clerk

RE: Ordinance No. 4 – Regarding Parking of Commercial Vehicles on Town Right of Ways

DATE: July 10, 2019

Per the Boards direction at the last meeting, Town Attorney Wisor has drafted this ordinance, which limits the time that a commercial vehicle (as defined in Colorado Revised Statute below) may be parked on Town streets/right-of ways. We did not limit this to specific zone districts, but could certainly insert that at the meeting, per Board direction. This ordinance does include vehicles parked on Highway 9 (Main Street). It does not include vehicles parked on private property, driveways, etc. Town Attorney Wisor will be at the meeting to answer any questions, draft changes, etc.

Here are the two operative factors under the Model Traffic Code definition of “commercial vehicle.”:

(a) "Commercial vehicle" means:

- (I) Any self-propelled or towed vehicle bearing an apportioned plate or having a manufacturer's gross vehicle weight rating or gross combination rating of ten thousand one pounds or more, which vehicle is used in commerce on the public highways of this state or is designed to transport sixteen or more passengers, including the driver, unless such vehicle is a school bus regulated pursuant to section 42-4-1904 or any vehicle that does not have a gross vehicle weight rating of twenty-six thousand one or more pounds and that is owned or operated by a school district so long as such school district does not receive remuneration for the use of such vehicle, not including reimbursement for the use of such vehicle;*
- (II) Any motor vehicle designed or equipped to transport other motor vehicles from place to place by means of winches, cables, pulleys, or other equipment for towing, pulling, or lifting, when such motor vehicle is used in commerce on the public highways of this state; and*
- (III) A motor vehicle that is used on the public highways and transports materials determined by the secretary of transportation to be hazardous under 49 U.S.C. sec. 5103 in such quantities as to require placarding under 49 CFR parts 172 and 173.*

Should the Board decide to approve this ordinance, it will require a motion, second and roll call vote.

**TOWN OF FAIRPLAY, COLORADO
ORDINANCE #4
(SERIES 2019)**

AN ORDINANCE OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, AMENDING THE FAIRPLAY MUNICIPAL CODE TO LIMIT PARKING OF COMMERCIAL VEHICLES ON ANY PUBLIC STREET, HIGHWAY OR RIGHT-OF-WAY WITHIN THE TOWN OF FAIRPLAY, COLORADO.

WHEREAS, pursuant to Part 2, Article 16, Title 31 of the Colorado Revised Statutes, the Town of Fairplay (the "Town") has previously adopted by reference the 2010 edition of the Model Traffic Code for Colorado, enacted certain amendments thereto, and provided penalties for Model Traffic Code violations; and

WHEREAS, the health, safety and welfare of the inhabitants of the Town is impacted by the long term parking of commercial vehicles on Town streets, highways and right-of-ways; and

WHEREAS, pursuant to Part 2, Article 16, Title 31 of the Colorado Revised Statutes, the Board of Trustees of the Town hereby finds and determines it is in the best interest of the health, safety and welfare of the inhabitants of the Town to limit the duration of parking of commercial vehicles on Town streets, highways and right-of-ways.

Now, therefore, be it ordained by the Board of Trustees of the Town of Fairplay, Colorado that:

Section 1: That Section 8-2-10(2) of the Fairplay Municipal Code be amended as follows:

It is unlawful for any person to leave any vehicle unattended and unmoved on any public street, highway or right-of-way within the Town for more than seventy-two (72) consecutive hours; PROVIDED, HOWEVER, IT IS UNLAWFUL FOR ANY PERSON TO LEAVE ANY COMMERCIAL VEHICLE UNATTENDED AND UNMOVED ON ANY PUBLIC STREET, HIGHWAY OR RIGHT-OF-WAY WITHIN THE TOWN FOR MORE THAN FOUR (4) CONSECUTIVE HOURS.

Section 2: That Section 10-1-30 of the Fairplay Municipal Code be amended as follows:

Abandoned vehicle means a vehicle which has been left on a public street or right-of-way for more than seventy-two (72) hours unattended and unmoved, has had its license plates or other identifying marks removed, has been damaged or is deteriorated so extensively that it has value only for junk or salvage, or the owner has been notified by a law enforcement agency to remove the vehicle from a public street or right-of-way and it has not been removed within seventy-two (72) hours after notification. NOT WITHSTANDING THE FORGOING, AN ABANDONED COMMERCIAL VEHICLE MEANS A COMMERCIAL VEHICLE WHICH HAS BEEN LEFT ON A PUBLIC STREET OR RIGHT-OF-WAY FOR MORE THAN FOUR (4) CONSECUTIVE HOURS

UNATTENDED AND UNMOVED, HAS HAD ITS LICENSE PLATES OR OTHER IDENTIFYING MARKS REMOVED, HAS BEEN DAMAGED OR IS DETERIORATED SO EXTENSIVELY THAT IT HAS VALUE ONLY FOR JUNK OR SALVAGE, OR THE OWNER HAS BEEN NOTIFIED BY A LAW ENFORCEMENT AGENCY TO REMOVE THE COMMERCIAL VEHICLE FROM A PUBLIC STREET OR RIGHT-OF-WAY AND IT HAS NOT BEEN REMOVED WITHIN FOUR (4) HOURS AFTER NOTIFICATION. A vehicle, whether on public or private property, is conclusively presumed to have been abandoned for purposes of this Chapter if it has been in nonoperating condition, or unattended and unremoved, for more than seven (7) days or if, after following all of the procedures set forth in Section 8-2-30, a police officer is authorized to tow or remove the vehicle. This definition shall not include antique vehicles, except for that part referring to the procedures set forth in Section 8-2-30.

Section 3: If any clause, sentence or paragraph or part of this Ordinance of the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect the application to other persons or circumstances.

Section 4. This Ordinance shall become effective thirty (30) days after publication.

ORDAINED, APPROVED AND ADOPTED THIS 15TH DAY OF JULY 2019.

Frank Just, Mayor

Tina Darrah, Town Clerk



MEMORANDUM

TO: Mayor and Board of Trustees

FROM: Kim Wittbrodt, Treasurer

RE: Resolution Approving PIIP Agreement with John and Pam Cain

DATE: July 10, 2019

Agenda Item: Resolution for PIIP Agreement

This resolution approves an agreement with John and Pam Cain for the 660 Bogue Street Exterior Project. Staff has reviewed this application and found it in compliance with the PIIP rules and regulations.

This application is for \$650.00 to prep and paint the exterior of the house located at 660 Bogue Street. The property taxes paid for this property over the last five years is \$650.00. The estimate for the work is \$8,000.00. You have \$13,483 left in your PIIP line item for 2019.

Approval of this resolution will require a motion, second and a roll call vote.

**TOWN OF FAIRPLAY, COLORADO
RESOLUTION NO. 2019-19**

A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, AUTHORIZING THE EXECUTION OF A PROPERTY IMPROVEMENT INCENTIVE PROGRAM (PIIP) AGREEMENT BETWEEN THE TOWN AND JOHN AND PAM CAIN FOR THE 660 BOGUE STREET EXTERIOR PROJECT.

WHEREAS, the Town Board of the Town of Fairplay specifically finds that entering into this PIIP Agreement will enhance the appearance of the property thereby enhancing the appearance of the Town as a whole; and

WHEREAS, the Board of Trustees has reviewed the PIIP Agreement and finds it to be in compliance with the provisions of Section 4-9-80 of the Fairplay Municipal Code.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, that the Mayor is authorized to enter into this agreement between the Town of Fairplay and John and Pam Cain as described in the agreement, attached hereto as "Exhibit A", and to execute the same on behalf of the Town.

RESOLVED, APPROVED, and ADOPTED this 15th day of July, 2019.

TOWN OF FAIRPLAY, COLORADO

(Seal)

Frank Just, Mayor

ATTEST:

Tina Darrah, Town Clerk

**PROPERTY IMPROVEMENT INCENTIVE PROGRAM AGREEMENT
(660 Bogue Street Exterior Project)**

THIS PROPERTY IMPROVEMENT INCENTIVE PROGRAM AGREEMENT (660 Bogue Street Exterior Project) (hereafter referred to as the "660 Street Exterior Project PIIIP Agreement") is made and executed this 15th day of July, 2019, by and between the TOWN OF FAIRPLAY, COLORADO, a Colorado statutory municipal corporation, (hereafter referred to as the "Town"), and John and Pam Cain (hereafter referred to as the "Owner").

W I T N E S S E T H

WHEREAS, the Owner is the owner of certain real property in the Town commonly described as 660 Bogue Street, (the "Property"); and

WHEREAS, the Owner proposes to improve the Property by prepping and painting the exterior of the house, which improvements will enhance the appearance of the Property and of the Town; and

WHEREAS, in entering into this PIIIP Agreement, the Town Board of the Town specifically finds that the criteria for approval of a PIIIP Agreement set forth in Section 4-9-80 of the Fairplay Municipal Code are met; and

WHEREAS, the parties hereto wish to set forth in full their agreement as to the nature and extent of the improvements which shall be constructed and installed by the Owner within and upon the Property, and the manner for and extent of the reimbursement to the Owner for a portion of the cost of such construction and installation; and

WHEREAS, the parties wish to memorialize all aspects of their agreement as to the terms and conditions of such reimbursement in this PIIIP Agreement.

NOW THEREFORE, the parties hereto, for themselves, their successors and assigns (to the extent this PIIIP Agreement is assignable, as specified hereinafter), in and for the consideration of the performance of the mutual covenants and promises set forth herein, the receipt and adequacy of which are hereby acknowledged, do hereby covenant and agree as follows:

1. **Authority.** This PIIIP Agreement is entered into in compliance with the provisions of Article 9, Chapter 4 of the Fairplay Municipal Code.

2. **Scope of Work.** The parties hereby mutually agree that Owner shall construct, or cause to be constructed, the improvements to the Property set forth in **Exhibit A** hereto (the "Work" or the "Project"). Such work shall be completed to the reasonable satisfaction of the Town prior to any reimbursement pursuant to this PIIIP Agreement. Any change in the Scope of Work shall require the prior written approval of the Town and may result in a decrease in the amount of the reimbursement should the Town reasonably determine that the change diminishes the cost or value of the improvements. The construction or installation of the improvements shall commence no later than August 1, 2019, and shall be completed no later than December 31, 2019. Should the work not commence or not be completed by the dates specified above this PIIIP Agreement shall terminate and be of no further force or effect and the Town shall have no further obligations hereunder.

3. **Cost of Project.** The estimated cost of the Project is Eight Thousand Dollars (\$8,000.00).
4. **Contractor.** The contractor performing the work is H & H Painting, whose address is P.O. Box 63, Fairplay, CO, 80440. Any change of contractor shall require prior Town approval.
5. **Property tax rebate and matching funds.** The parties hereby mutually agree that the maximum amount of real property taxes to be rebated to Owner by the Town shall be Six Hundred Fifty Dollars (\$650) and that such amount does not exceed the amount of real property taxes paid on the Property to the Town during the preceding five years. Owner shall pay not less than an amount equal to fifty percent (50%) of the total cost of the Project. Should the cost of the Project decrease during the work the property tax rebate provided by the Town shall be reduced to assure that the Owner contributes at least fifty percent (50%) of the total cost of the Project.
6. **Maintenance of improvements.** Owner shall maintain the improvements in good condition and repair for a period of five years from and after the date of completion. Should Owner not perform this maintenance obligation Owner shall, upon written demand from the Town, refund to the Town all monies rebated to the Owner by the Town pursuant to this PIIP Agreement.
7. **Completion of work and payment of rebate.** Upon completion of the Work, Owner shall notify the Town of such completion and the Town shall perform an inspection of the improvements. If the improvements are completed in a satisfactory and workmanlike manner the Town shall accept same and shall, within thirty (30) day following such acceptance, rebate to the Owner the amount required by Paragraph 5 above.
8. **Annual appropriation.** The parties specifically acknowledge and agree that no undertaking on the part of the Town to rebate property taxes as specified herein constitutes a debt or obligation of the Town within any constitutional or statutory provision. The Town's obligations hereunder shall be subject to annual appropriation by the Town Board unless and until approved by the Town's electors.
9. **Assignment/Third party beneficiaries.** None of the obligations, benefits, and provisions of this PIIP Agreement shall be assigned in whole or in any part without the express written authorization of the Fairplay Town Board. In addition, no third party may rely upon or enforce any provision of this PIIP Agreement, the same being an agreement solely between the Town and the Owner, and which agreement is made for the benefit of no other person or entity.
10. **Successors and assigns.** This PIIP Agreement may be recorded and shall be binding on Owner's successors and assigns.
11. **Amendments.** This PIIP Agreement shall be subject to amendment only by a written instrument executed by each party. Any such amendment shall require the approval by the Town Board of the Town of Fairplay at a regular or special meeting of the Town Board, and execution thereof by the Mayor and attestation by the Town Clerk.
12. **Notices.** Any written notices provided for or required in this PIIP Agreement shall be deemed delivered when either personally delivered or mailed, postage fully prepaid, certified or registered mail, return-receipt requested, to the parties at the following addresses:

To the Town: Town Administrator
 Town of Fairplay
 PO Box 267
 Fairplay, CO 80440

To the Owner: John and Pam Cain
 P.O. Box 294
 Fairplay, CO 80440

EXECUTED the day and year first above-written.

THE TOWN OF FAIRPLAY, COLORADO

Frank Just, Mayor

Tina Darrah, Town Clerk

OWNER:

John Cain

Pam Cain

TOWN OF FAIRPLAY

Property Improvement Incentive Program (PIIP)

APPLICATION for CONSIDERATION

Name of Applicant (Must be Property Owner): JOHN + PAM CAIN

Property Address: 660 BOGUE ST.

Mailing Address: PO BOX 294 FAIRPLAY CO 80440

Phone: 719-836-2959 719-839-0572 CELL

Email: CAINCLAN@Q.COM

Description of Project (attach photo of current property/project area, description and/or drawings of proposed improvements, estimates/bids, further narrative if needed, etc.):

POWER WASH, SCRAPE, CAULK, PRIME AND REPAINT EXTERIOR OF HOUSE

Estimated Cost of Project: \$8000.00

Amount of PIIP Funds Applied for (cannot exceed amount of property tax paid to the Town of Fairplay over the last five years): \$650.00

Amount of Matching Funds from Applicant (must be at least 50% of the cost of the project): \$7350.00

Upon submission of this completed application a meeting will be scheduled for you to meet with the Town Staff regarding your application and the program.

By signing this application you certify that you have received and read the rules and regulations of the PIIP Program - Ordinance No. 1, 2014

Applicant signature: John A Cain Date: 7-5-19
Pamela J Cain 7-5-19

H & H Painting

We do it right the first time!

H & H Painting/Services
Mike Hamner
Po Box 63
Fairplay CO 80440
(719) 293- 5210

H & H Contract

Address: 660 Bogue St
Owner: John and Pam Cain
Phone:

Scope of Work:

Power-Wash, Scrape, Caulk, Prime, Re-Paint House and Trim.

Labor cost: \$7,000.00

Material List:

Paint, Primer, and Masking Supplies etc.

Total Materials and labor: \$8,000.00

Payment:

Half of the bid is due to start the project and the balance is due upon completion of the work. Any amount not paid within 30 days, of completion of the project shall accrue late fees at a rate of 10% per month. All cost of collection including attorney fees shall be added to any unpaid balance. Please make checks payable to Mike Hamner.

____Mike Hamner____ Date: 06/15/2019

Mike Hamner
H & H Painting

Accepted by:

John Cain Date: 6-30-19
Pamela J Cain







MEMORANDUM

TO: Mayor and Board of Trustees

FROM: Tina Darrah, Town Administrator/Clerk

RE: Intergovernmental Agreement Between Fairplay, Alma, and Breckenridge, Park County, and Summit County for the Provision of Intercounty Commuter Transit Services for Park County

DATE: July 10, 2019

Approval of this IGA formalizes the scope of responsibilities for each government entity involved in the Summit Stage service extension to Park County. The Town of Fairplay's responsibility is the lease of the old CDOT Bus Barn that will allow for the storage of the Summit Stage buses and serve as a park'n'ride location. Town Attorney Paul Wisor has reviewed and approved the IGA.

Staff recommends approval of Resolution No. 20, which will require a motion, second, and a roll call vote.

"Where History Meets the High Country"

TOWN OF FAIRPLAY, COLORADO

RESOLUTION NO. 20

Series of 2019

A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, APPROVING THE INTERGOVERNMENTAL AGREEMENT (IGA) FOR THE PROVISION OF INTERCOUNTY COMMUTER TRANSIT SERVICES FOR PARK COUNTY.

WHEREAS, the Town of Fairplay desires the Summit Stage bus service to provide intercounty commuter transit services for Park County; and,

WHEREAS, the Town of Fairplay understands that this IGA ensures the provision of intercounty commuter transit services to Park County through April 23, 2022; and,

WHEREAS, the Town of Fairplay has supported the effort to provide commuter transit services via the Summit Stage by leasing property from the Colorado Department of Transportation for the purposes of storing Summit Stage buses; and,

WHEREAS, the Town of Fairplay finds its scope of responsibilities outlined in the IGA to be appropriate; and,

WHEREAS, the Board of Trustees understand the value that this service brings to the Fairplay community.

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, that the Intergovernmental Agreement, attached hereto as Exhibit A, regarding commuter transit services for Park County, dated April 21, 2019, be and hereby is adopted

RESOLVED, APPROVED, and ADOPTED this 15th day of July, 2019.

TOWN OF FAIRPLAY, COLORADO

(Seal)

Frank Just, Mayor

ATTEST:

Tina Darrah, Town Clerk

**SUMMIT COUNTY GOVERNMENT/PARK COUNTY GOVERNMENT/TOWNS OF FAIRPLAY,
ALMA, AND BRECKENRIDGE INTERGOVERNMENTAL AGREEMENT FOR PROVISION OF
INTER-COUNTY COMMUTER BUS**

TRANSIT SERVICES FOR PARK COUNTY

THIS INTERGOVERNMENTAL AGREEMENT FOR THE PROVISION OF INTERCOUNTY COMMUTER TRANSIT SERVICES FOR PARK COUNTY (the "IGA") is made this 11th day of June, 2019, by and between the Summit County Government ("Summit County"), Park County Government ("Park County"), Town of Fairplay ("Fairplay"); Town of Alma ("Alma"); and Town of Breckenridge ("Breckenridge"). The aforementioned entities are hereinafter referred to collectively as the "Parties".

WHEREAS, Summit County, pursuant to § 30-11-101(f) C.R.S. and other legal authority, operates a mass transportation system known as the Summit Stage ("Summit Stage"), which provides Fixed Route Transit throughout Summit County; and

WHEREAS, the Parties are authorized to make the most efficient and effective use of their powers and responsibilities by coordinating and contracting with each other pursuant to Section 18(2)(a) and (b) of Article XIV and Section XI of the Colorado Constitution and §29-1-201, C.R.S.; and

WHEREAS, the Parties wish to engage the Summit Stage to begin intercountry, commuter transit service between Park and Summit Counties; and

WHEREAS, the Parties will provide local contributions to assist with this operation; and

NOW THEREFORE, in consideration of the above and in consideration of the mutual and dependent covenants contained herein, the Parties agree as follows:

I. Purpose; Term and Termination:

- a. The purpose of this IGA shall be to set forth the Parties' agreement regarding the scope of responsibilities and duties related to the Summit Stage's provision of intercountry commuter transit services between Park and Summit Counties.
- b. The term of this IGA shall extend from April 21, 2019 to April 23, 2022 (the "Term").
- c. Any Party may, for any reason, terminate their obligations under this IGA upon one hundred eighty (180) days' prior written notice to all Parties.
- d. Further, as required by Article X, Section 20 of the Colorado Constitution, any obligation of a Party not performed in the current fiscal year shall be subject to annual appropriation of funds by the Party's governing body. Should sufficient funds not be appropriated for a Party's performance in future fiscal years this agreement shall terminate and be of no further force or effect.

II. Summit County Responsibilities:

- a. Summit County agrees to provide day to day management and operate intercountry commuter transit services according a mutually agreed upon schedule which may be modified by mutual agreement of the Parties.
- b. Summit County agrees to bear the fully allocated cost of services of operating the intercountry commuter transit services within Summit County, which amount is estimated to be \$155.44 per round trip.
- c. Summit County agrees to monitor performance and compliance in accordance with its policies, procedures, and performance indicators.
- d. Summit County will assist Parties with operating grant applications and National Transit Database reporting.

III. Park County, Alma, Breckenridge and Fairplay Responsibilities:

- a. Park County, Alma and Breckenridge agree to provide local share contributions in the following amounts to Summit County to offset all eligible expenses incurred in the Park County portion of the service: Town of Breckenridge \$50,000; Park County \$45,000; Town of Alma \$5,000.
- b. Subject to annual appropriation, Park County, Breckenridge and Alma shall contribute to operations. If any funding partner terminates their obligations hereunder, the remaining Parties shall convene to discuss what changes to service might be necessary to address funding shortfalls.
- c. The Town of Fairplay agrees to provide a facility for base of operations, including secured and covered bus parking, electricity, heat, snowplowing and general maintenance of the facility.
- d. Park County will apply for Rural Area Formula Program ("5311") operating grant to supplement operations funding. Local funds from Park County, Alma and Breckenridge will be used to provide the required local match for any 5311 grants.

IV. Service Costs:

- a. The 2019 incremental cost for Summit Stage operating service in the Park County segment is \$65.42 per round trip. This amount shall be adjusted 3% annually to reflect wage and operating cost inflation.
- b. Rolling stock depreciation costs will be set at \$1.00 per mile for the Term.
- c. The Summit Stage will charge a \$2.00 base fare to offset expenses related to the operation of these services.
- d. Summit County shall maintain segregated accounts for Summit/Park Transit revenues. All fare revenue, local contributions and grant revenue generated pursuant to this IGA shall be deposited into a segregated general ledger account. Parties agree that the state of the operational revenue and expenditures shall be evaluated and reported out to the Parties on a quarterly basis, and any necessary changes to the service shall be based on that reporting, and community demand for service.
- e. Any surplus funds shall be held as Summit/Park Transit Reserve. This reserve balance shall be used for improving infrastructure, facilities and/or service that directly affect Summit Stage operations contemplated hereunder.

V. General Provisions

- a. **Governmental Immunity:** Notwithstanding any other provision of this IGA to the contrary, no term or condition of this IGA shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Colorado Governmental Immunity Act, § 24-10-101, et seq., C.R.S., as now or hereafter amended. The parties understand and agree that liability for claims for injuries to persons or property arising out of negligence of any parties, their departments, institutions, agencies, boards, officials and employees is controlled and limited by the provisions of § 24-10-101, et seq., C.R.S., as now or hereafter amended. The parties enter into this Agreement as separate, independent entities and shall maintain such status throughout.
- b. The provisions of this Agreement shall only become effective upon execution of the Agreement by all parties.
- c. No party may assign its rights or obligations under this Agreement without the prior, written consent of the other parties.
- d. This agreement shall be governed by the laws of the State of Colorado.
- e. No third parties are intended to be beneficiaries of this Agreement.
- f. This Agreement is intended to be fully integrated.
- g. **Indemnification:** All actions or omissions by any Party, including their respective representatives, employees, agents, volunteers or officials, shall be the sole responsibility of the respective Party. The Parties do not agree to indemnify, hold harmless, exonerate or

assume the defense of any other Party or any other person or entity whatsoever, for any purpose whatsoever.

- h. The Parties and their officers, attorneys and employees are relying on, and not waive or intend to waive by an provision of this IGA, the monetary limitations or any other rights, immunities or protections provided by the Colorado Governmental Immunity Act, §24-10-101, *et. seq.* C.R.S, as amended, or otherwise available to the Parties and their officers, attorneys or employees.
- i. This IGA may only be modified or amended upon written agreement of the Parties.
- j. Effective Date. The effective date of this Agreement shall be the date first written above regardless of the date when the Agreement is actually signed by the parties.

Execution by Counterparts; Electronic Signatures. This Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties approve the use of electronic signatures for execution of this Contract. Only the following two forms of electronic signatures shall be permitted to bind the Parties to this Contract: (1) Electronic or facsimile delivery of a fully executed copy of a signature page; (2) The image of the signature of an authorized signer inserted onto PDF format documents. All use of electronic signatures shall be governed by the Uniform Electronic Transactions Act, C.R.S. §§24-71.3-101 to -121.

**BOARD OF COUNTY COMMISSIONERS
SUMMIT COUNTY, COLORADO**

By: Thomas C. Davidson, Chair

**BOARD OF COUNTY COMMISSIONERS
PARK COUNTY, COLORADO**

By: Richard Elsner, Chair

TOWN OF BRECKENRIDGE, COLORADO

By: Eric Mamula, Mayor

TOWN OF FAIRPLAY, COLORADO

By: Frank Just, Mayor

TOWN OF ALMA, COLORADO

By: Saam Golgoon, Mayor

Police Chief Marcus J. Woodward

FAIRPLAY POLICE DEPARTMENT



July 11, 2019

To: The Town of Fairplay Board of Trustees

From: Marcus J. Woodward

Re: Golf Tournament Benefiting the Nate Carrigan Scholarship Fund

On Wednesday, August 7th, a golf tournament will be held at the Collegiate Peaks Golf Course in Buena Vista. This is an important event as the proceeds benefit the Nate Carrigan Scholarship Fund which provides scholarships to students pursuing education of all types. Trustee Dodge, Public Works Director Jim Brown, and myself will all be playing in the tournament to both raise money for the Nate Carrigan Scholarship Fund and to honor the memory of Nate Carrigan.

I am requesting the Board of Trustees approves a \$500 donation towards this event which would make the Town of Fairplay a Platinum Sponsor. Not only would this donation help an important community non-profit, but it would also show solidarity with the community and the Park County Sheriff's Office as we remember this tragic event.

Thank you for your consideration.

Marcus J. Woodward

Police Chief, Fairplay Police Department



901 Main St ~ PO Box 267 Fairplay, CO 80440
P: 719-836-2840 F: 719-836-2849 Email: mwoodward@fairplayco.us

Golf Tournament

Nate Carrigan Scholarship Fund

Wednesday, August 7th

7:00am Registration - 8:30am Shotgun Start

Collegiate Peaks Golf Course, Buena Vista, CO

\$100 Per Person - Golf/Cart/Gift Bag/Lunch



Contests

- Longest Drive - \$75
- Closest to Pin - \$75
- Closest to Line - \$75

Team Prizes

- 1st Place - \$800
- 2nd Place - \$600
- 3rd Place - \$400

Raffle Prizes

Gold Sponsorship	\$750
Platinum Sponsorship	\$500
Silver Sponsorship	\$250

Mulligans



Register Prior to July 15th

719-836-4359 /bbushaw@parkco.us

Checks Made Payable to
PCSO Nate Carrigan Scholarship Fund



Proceeds Go to Nate Carrigan Scholarship Fund – 501(3)(c)
Two Students Will Receive Scholarships – March 2020



MEMORANDUM

TO: Mayor and Board of Trustees

FROM: Tina Darrah, Town Administrator/Clerk

RE: Discussion of Permitted Uses Under Chapter 16 - UDC

DATE: July 10, 2019

This is on the agenda to afford the Board and staff an opportunity to discuss permitted uses and their definitions as currently shown in the UDC. Staff thought that after the work session at the beginning of the meeting, this might be a needed discussion. If that is not the case, this item can be tabled or removed from the agenda.

PUBLIC WORKS
MONTHLY STAFF REPORT

June 2019

Wastewater Treatment Plant Performance

Influent flow: Treatment Plant Design flow 0.3 MGD.

Average Flow	0. 11MGD	% Capacity 36%
Maximum Flow	0. 16MGD	% Capacity 53%

BOD

Influent 128 mg/l	Effluent 2 (BDL)	%Removal 99.984%
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Suspended Solids

Influent 118 mg/l	Effluent 12	%Removal 99.976%
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Ammonia

Influent 41.1 mg/l	Effluent .08 mg/l	% Removal 99.90%
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E.coli

Limit: 2,000 Average Geometric mean/ 4,000 Maximum Geometric Mean

Colonies	Effluent 55 Colonies	% Removal 99.975%
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Waste Water system

Wastewater plant ran exceptionally well this month. E.coli, BOD and suspended solids were below detectable limits.

Water System

Water System ran smoothly in June. Most recently the transformer went out for well 3 and required replacement.

Public Works

1. 2019 Paving Projects
Paving work complete.
2. New Aerator for the Sanitary plant pond
Motors have been ordered, first one has been delivered, awaiting delivery of second motor.
3. Cohen park improvements
Lighting complete.
4. Plow for the Chevy
Plow installed.
5. Vaughn passes B license for the Treatment Plant
Vaughn passed his C test. He will take the B test in July.
6. Sludge Removal
To be done early August.
7. 1/3 Sewer line cleaning
To be done in August.
8. River Park Entrance signage
Design continues and soil testing completed.
9. Study Water capacity
Study has been completed with SGM. Draft report currently being reviewed.
10. Verify and modify PRV's in town
All have been repaired and are in service.
11. Improve Stairs town Hall
Work to be completed in the summer.
12. Paint Lift station building
Work to be done in the summer.
13. Paint Public Works Office
Work to be done in the summer.
14. Study street signage and modify if necessary
No stripping bids received We will work to find more strippers. Awaiting delivery of signs.

15. Standards for Streets and utilities

Rough draft being reviewed.

16. Adoption 2012 Code

Code adoption mark up has been sent to Town Attorney for review and formal draft.

17. Research Town Ditch Easement and create a maintenance plan/program.

To be done in the fall.

18. Begin work on comprehensive public works capital improvement plan to include all town owned buildings and properties, vehicles, and equipment.

This will be done in the fall.

19. Complete SCADA installation at the water plant.

This will be done in the summer.

Police Chief Marcus J. Woodward

FAIRPLAY POLICE DEPARTMENT



July 15, 2019

To: The Town of Fairplay Board of Trustees

From: Marcus J. Woodward

Re: June 2019 Monthly Police Report

The Police Department is continuing business as normal with no significant issues to report. At the end of June, we were able to repair the Town's mobile radar sign and trailer. The Board and community members will notice the trailer located at different locations in town and hopefully add to the detouring efforts to slow folks down.

Month of June 2019, the FPD responded to 132 total calls for service to include:

- | | |
|---------------------------------------------|---------------------------------------|
| 29 - Records Management System case reports | 7 - Animal calls |
| 11 - Traffic Citations issued | 2 - Emergency 911 calls |
| 18 - Verbal Traffic Warnings issued | 0 - Enhanced Court House Security |
| 16 - Park County Sheriff assists | 0 - DUI's |
| 1 - Colorado State Patrol Assists | 2 - Domestic Violence |
| 5 - Traffic Accidents | 1 - Theft/Fraud |
| 0 - Fire Alarms | 1 - Warrant Arrest |
| 2 - Burglary Alarms | 2 - Private Property Damage/Vandalism |
| 2 - Citizen assists | 0 - School Safe to Tell calls |
| 3 - Criminal Summons issued (County Court) | 0 - Structure Fire (Unfounded) |
| 1 - Mental/Suicidal calls | 1 - School Security Assignments |
| 4 - Outside Agency assists | 3 - Medical Responses |
| 2 - Harassment | 5 - Directed Patrols |
| 6 - Civil Keep the Peace Standby | 1 - Violation of Protection Order |
| 11 - Neighbor Disputes/complaints | 0 - Abandoned Vehicles |
| 0 - Junk Code Violations | 1 - Vehicle Impound |
| 2 - VIN Inspection | 0 - Fingerprints |



901 Main St ~ PO Box 267 Fairplay, CO 80440

P: 719-836-2840 F: 719-836-2849 Email: mwoodward@fairplayco.us

Calls for Service cont.

- 1 – Municipal Summons
- 1 – Criminal Mischief
- 2 – Check the welfares
- 3 – Found/Lost property
- 5 – Illegal Parking

- 2 - Suspect Interviews
- 3 – Assaults
- 4 – Illegal Camping
- 1 – Illegal Dumping

June 2019 Completed Officer Training:

- Rick Chapel, Chief Woodward, Andy Gutierrez and Barb Grover all participated and qualified in Pistol & Shotgun training (5 hrs)
- Andy Gutierrez, Barb Grover and Rick Chapel attended the Colorado State Patrol Active Shooter training course (4 hrs)
- Sgt. Schlunsen, Chief Woodward, Andy Gutierrez and Rick Chapel all attended In-Service Court Testimony and Prosecution training with Judge Green (1 hr)
- Rick Chapel completed Use of Force (1 hr)
- Sgt. Schlunsen attended Mass Casualty & Incident Command Training (6 hrs)



FAIRPLAY POLICE DEPARTMENT
901 Main St ~ PO Box 267 Fairplay, CO 80440
P: 719-836-2840 F: 719-836-2849 Email: mwoodward@fairplayco.us