

FAIRWAYS METROPOLITAN DISTRICT

2026 Budget Message

Introduction

The 2026 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2026 fiscal year based on available revenues. This budget provides for the general operations of the District as well as a business-like enterprise for the collection and treatment of sewage, capital repair and replacement and repayment of loans.

The District's assessed value decreased to \$30,350,866 from \$33,418,076 in the prior year. The District's mill levy is 3.651 less a temporary mill levy reduction of <0.873> mills, for a net certified mill levy of 2.778 mills for collection in fiscal year 2026, and all taxes are dedicated to the General Fund.

The District was formed in 1964 for the purpose of providing sewage collection and treatment services. The District currently serves 344 customers in the service area which is located in Boulder County. No change in the level of service is anticipated during 2026.

Budgetary Basis of Accounting

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

Fund Summaries

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

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

Department of Public Health and Environment.

Principal payments are due in equal amounts on May 1 and November 1 annually through the final payment in 2038. Below is a loan payment schedule through 2038.

Fairways Metropolitan District			
Loan Principal and Interest in the Year	2013 Loan, \$1,563,694, 2016 Loan, \$332,000 and 2018 Loan, \$185,000		
Ending December 31,	Principal	Interest	Total
2026	104,035	-	104,035
2027	104,035	-	104,035
2028 - 2032	520,171	-	520,171
2033 - 2037	199,134	-	199,134
2038	4,625	-	4,625
	\$ 932,000	\$ -	\$ 932,000

Emergency Reserve

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

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

	2024 Adopted Budget	2025 Adopted Budget	2026 Adopted Budget
Assessed Valuation	\$ 33,420,707	\$ 33,418,076	\$ 30,350,866
Mill Levy			
General Fund	2.484	2.863	3.651
Temporary Mill Levy Reduction	-	-	0.873
Refunds and Abatements	-	-	-
Total Mill Levy	2.484	2.863	2.778
Property Taxes			
General Fund	\$ 83,017	\$ 95,676	\$ 110,811
Temporary Mill Levy Reduction	-	-	26,496
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	\$ 83,017	\$ 95,676	\$ 84,315

FAIRWAYS METROPOLITAN DISTRICT

GENERAL FUND
2026 Adopted Budget
with 2024 Actual, 2025 Adopted Budget and 2025 Estimated

	2024 Actual	2025 Adopted Budget	2025 Estimated	2026 Adopted Budget
BEGINNING FUND BALANCE	\$ 184,805	\$ 196,343	\$ 216,929	\$ 236,940
REVENUE				
Property Taxes	82,994	95,676	95,676	137,307
Specific Ownership Taxes	3,461	2,500	5,000	3,000
Interest Income	11,937	3,000	9,000	2,500
Other Revenue	3,094	-	-	-
Total Revenue	101,486	101,176	109,676	142,807
Total Funds Available	286,291	297,519	326,605	379,747
EXPENDITURES				
Accounting	22,909	28,500	28,500	30,000
Administrative Services	17,362	18,000	18,000	20,000
Audit	5,300	5,750	5,500	5,750
Billing Service	10,263	9,250	9,250	10,000
Director's Fees	1,285	1,200	1,700	1,500
Election	169	3,000	1,647	2,000
Insurance & Bonds	4,103	9,000	9,183	11,000
Legal	4,871	10,000	10,000	10,000
Payroll Taxes	222	368	450	450
Miscellaneous	1,113	1,500	1,500	1,500
Supplies and Expenses	519	2,500	2,500	2,500
Treasurer's Fees	1,246	1,435	1,435	2,060
Contingency	-	20,000	-	20,000
Total Expenditures	69,362	110,503	89,665	116,760
TRANSFERS AND OTHER SOURCES (USES)				
Emergency Reserve	-	3,035	-	4,284
Transfer to Enterprise	-	40,000	-	50,000
Total Expenditures Requiring Appropriation	69,362	153,538	89,665	171,044
ENDING FUND BALANCE	\$ 216,929	\$ 143,981	\$ 236,940	\$ 208,703

FAIRWAYS METROPOLITAN DISTRICT

ENTERPRISE FUND

2026 Adopted Budget

with 2024 Actual, 2025 Adopted Budget and 2025 Estimated

	2024 Actual	2025 Adopted Budget	2025 Estimated	2026 Adopted Budget
BEGINNING FUND BALANCE	\$ 90,450	\$ 63,782	\$ 127,865	\$ 89,995
REVENUE				
Sewer Service Fees	334,216	341,265	341,265	350,718
Interest	371	50	-	50
Total Revenue	334,587	341,315	341,265	350,768
Total Funds Available	425,037	405,097	469,130	440,763
EXPENDITURES				
Engineering	180	25,000	-	25,000
Insurance & Bonds	4,445	5,000	-	-
Supplies and Expenses	-	-	1,500	1,500
Plant Maintenance & Repair	49,935	60,000	120,000	100,000
Plant Operator	12,991	20,000	20,000	24,000
Permits and Testing	7,781	10,000	10,000	12,000
Chemicals	18,977	25,000	25,000	28,000
Jetting & Televising	37,837	18,000	5,000	15,000
Collection System Repair	8,635	16,000	16,000	10,000
LVGC Maintenance Agreement	6,600	6,600	6,600	6,600
Utilities	45,757	46,000	46,000	46,000
2013 CWPA Loan Principal	78,185	78,185	78,185	78,185
2016 CWPA Loan Principal	16,600	16,600	16,600	16,600
2018 CWPA Loan Principal	9,250	9,250	9,250	9,250
Plant & System Upgrades	-	20,000	20,000	20,000
Capital Imp Collection System	-	5,000	5,000	5,000
Contingency	-	40,000	-	40,000
Total Expenditures	297,173	400,635	379,135	437,135
TRANSFERS AND OTHER SOURCES (USES)				
Transfer from General Fund	-	40,000	-	50,000
Total Expenditures Requiring Appropriation	297,173	400,635	379,135	437,135
ENDING FUND BALANCE	\$ 127,865	\$ 44,462	\$ 89,995	\$ 53,628