

Buttermilk Metropolitan District

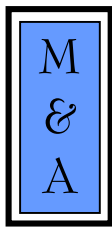
Financial Statements

December 31, 2025

**Buttermilk Metropolitan District
Financial Statements
December 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Buttermilk Metropolitan District
Aspen, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of Buttermilk Metropolitan District (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the District, as of December 31, 2025 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Buttermilk Metropolitan District

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Buttermilk Metropolitan District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The budgetary comparison information and Summary of Assessed Valuation, Mill Levy and Property Tax Collections, found in Section F, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The items found in Section F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
Avon, Colorado
July 14, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Buttermilk Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

This management's discussion and analysis of the Buttermilk Metropolitan District's financial statements provides an overview of the District's financial activities for the fiscal year ended December 31, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities and deferred inflows of resources by \$4,896,706 at December 31, 2025.
- The District had net income of \$263,303 in 2025.
- The District's General Fund reported an ending fund balance of \$754,301 at December 31, 2025, of which \$728,032 is unassigned and available for spending at the District's discretion.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two types of information on the same statement that present different views of the District:

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the reader's understanding of the financial statements.

Government-wide Statements

The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the District as a whole and include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. The District's net position—the difference between assets, liabilities, and deferred inflows of resources – is one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base and the condition of the infrastructure, are needed to assess the *overall health* of the District.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

- *Governmental activities* -The activity of the District's Road Fund is reported here, including interest and principal paid on outstanding bonds. Property taxes, specific ownership taxes, and interest income finance most of these activities.
- *Business-type activities* -The activity of the District's Water Enterprise is reported here, including interest and principal paid on outstanding bonds. Property taxes, specific ownership taxes, water usage charges, and interest income finance most of these activities.

Buttermilk Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant funds – not the District as a whole. The District's major governmental funds include the General Fund. The District also has a Water Fund that is a proprietary fund. Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental funds – The District's activity is reported as a governmental fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net position and the Statement of Activities) and governmental *funds* is provided in reconciliations following the fund financial statements.

Proprietary funds - When the Enterprise (Water) Fund charges users for the services it provides, these services are reported in the proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise fund is the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

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Buttermilk Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

THE DISTRICT AS A WHOLE

Statement of Net Position

The perspective of the Statement of Net Position is of the District as a whole. Following is a summary of the District's net position for the fiscal years 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 1,119,259	\$ 900,770	\$ 1,522,849	\$ 1,571,554	\$ 2,642,108	\$ 2,472,324
Capital Assets, net	536,193	549,397	2,555,568	2,431,256	3,091,761	2,980,653
Total Assets	<u>1,655,452</u>	<u>1,450,167</u>	<u>4,078,417</u>	<u>4,002,810</u>	<u>5,733,869</u>	<u>5,452,977</u>
Liabilities:						
Current liabilities	68,580	50,867	-	-	68,580	50,867
Total Liabilities	<u>68,580</u>	<u>50,867</u>	<u>-</u>	<u>-</u>	<u>68,580</u>	<u>50,867</u>
Deferred Inflows of Resources:						
Unavailable property taxes	<u>296,378</u>	<u>296,540</u>	<u>472,205</u>	<u>472,167</u>	<u>768,583</u>	<u>768,707</u>
Net Position:						
Net investment in capital assets	536,193	549,397	2,555,568	2,431,256	3,091,761	2,980,653
Restricted	9,322	9,766	15,000	-	24,322	9,766
Unrestricted	<u>744,979</u>	<u>543,597</u>	<u>1,035,644</u>	<u>1,099,387</u>	<u>1,780,623</u>	<u>1,642,984</u>
Total Net Position	<u>\$ 1,290,494</u>	<u>\$ 1,102,760</u>	<u>\$ 3,606,212</u>	<u>\$ 3,530,643</u>	<u>\$ 4,896,706</u>	<u>\$ 4,633,403</u>

A significant portion of the District's net position consists of capital assets, including roads and water infrastructure, which are used in the ongoing provision of services to residents and property owners within the District.

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Buttermilk Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

THE DISTRICT AS A WHOLE (CONTINUED)

Statement of Activities

The perspective of the Statement of Activities is of the District as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting the cost of the services. The following detail reflects the total cost of services supported by program revenues and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2025 and 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
General Revenues:						
Property taxes	\$ 291,962	\$ 305,856	\$ 466,853	\$ 480,939	\$ 758,815	\$ 786,795
Interest on property taxes	936	540	973	804	1,909	1,344
Specific ownership taxes	8,412	8,652	13,394	11,641	21,806	20,293
Interest earnings	4,412	5,463	70,348	78,794	74,760	84,257
Program Revenues						
Charges for services	78,016	5,000	271,841	204,917	349,857	209,917
Capital grants and contributions	-	-	629	41,009	629	41,009
Total Revenues	383,738	325,511	824,038	818,104	1,207,776	1,143,615
Expenses:						
General government	87,804	81,151	-	-	87,804	81,151
Public works	108,200	139,220	-	-	108,200	139,220
Water	-	-	748,469	661,030	748,469	661,030
Total Expenses	196,004	220,371	748,469	661,030	944,473	881,401
Change in Net Position	187,734	105,140	75,569	157,074	263,303	262,214
Beginning Net Position	1,102,760	997,620	3,530,643	3,373,569	4,633,403	4,371,189
Ending Net Position	\$ 1,290,494	\$ 1,102,760	\$ 3,606,212	\$ 3,530,643	\$ 4,896,706	\$ 4,633,403

The District's primary source of revenues are property taxes. These revenues are used to pay the cost of maintaining infrastructure related to the roads and water system.

THE DISTRICT'S FUNDS

The fund level financial statements focus on how services were financed in the short term as well as what remains for future spending. The fund level financial statements are reported on the modified accrual basis of accounting.

At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The General Fund ending fund balance increased \$200,938 to \$754,301 during the fiscal year ended December 31, 2025.

The Water Fund ending net position increased \$75,569 to \$3,606,212 during the fiscal year ended December 31, 2025.

Buttermilk Metropolitan District
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budgetary comparison schedule is reflected on page E1 of this report. It shows that during 2025 the District's General Fund had a net change in fund balance of \$200,938. The primary variance from budget was due to decreased snow removal costs resulting from lower snowfall, as well as an increase in other income related to heavy vehicle fees. Overall the District spent \$25,624 less than was budgeted in the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: The District's capital assets increased by \$111,108 in 2025, as capitalized asset additions exceeded depreciation expense and asset disposals. A detailed classification of the District's capital assets can be found in the notes to the financial statements in section D of this report.

Debt Administration: The District has no long-term debt outstanding.

NEXT YEAR'S BUDGET AND RATES

The District's 2026 budget anticipates General Fund net income of \$81,433 and Water Fund net income of \$12,540.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact the:

Buttermilk Metropolitan District
c/o The Romero Group, LLC.
350 Market Street, Suite 304
PO Box 4100, Basalt, CO 81621-4100
Telephone: (970) 273-3100

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Buttermilk Metropolitan District
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 131,705	\$ -	\$ 131,705
Investments	1,421,399	296,663	1,718,062
Due from Treasurer	712	1,134	1,846
Accounts receivable - other	-	4,965	4,965
Internal balances	(747,882)	747,882	-
Property tax receivable	296,378	472,205	768,583
Prepaid insurance	16,947	-	16,947
Capital assets, net	536,193	2,555,568	3,091,761
Total Assets	<u>1,655,452</u>	<u>4,078,417</u>	<u>5,733,869</u>
Liabilities:			
Accounts payable and other liabilities	68,580	-	68,580
Total Liabilities	<u>68,580</u>	<u>-</u>	<u>68,580</u>
Deferred Inflows of Resources:			
Property tax revenue	296,378	472,205	768,583
Total Deferred Inflows of Resources	<u>296,378</u>	<u>472,205</u>	<u>768,583</u>
Net Position:			
Net investment in capital assets	536,193	2,555,568	3,091,761
Restricted for emergencies	9,322	15,000	24,322
Unrestricted	744,979	1,035,644	1,780,623
Total Net Position	<u>\$ 1,290,494</u>	<u>\$ 3,606,212</u>	<u>\$ 4,896,706</u>

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

Buttermilk Metropolitan District
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 87,804	\$ 78,016	\$ -	\$ -	\$ (9,788)	\$ -	\$ (9,788)
Public works	108,200	-	-	-	(108,200)	-	(108,200)
Total governmental activities	196,004	78,016	-	-	(117,988)	-	(117,988)
Business-Type activities:							
Water	748,469	271,841	-	629	-	(475,999)	(475,999)
Total business-type activities	748,469	271,841	-	629	-	(475,999)	(475,999)
Total primary government	944,473	349,857	-	629	(117,988)	(475,999)	(593,987)
General revenues:							
Taxes:							
		Property tax			291,962	466,853	758,815
		Interest on property tax			936	973	1,909
		Specific ownership tax			8,412	13,394	21,806
		Interest income			4,412	70,348	74,760
		Total General revenues			305,722	551,568	857,290
Change in Net Position							
		Net Position - Beginning			187,734	75,569	263,303
		Net Position - Ending			1,102,760	3,530,643	4,633,403
					\$ 1,290,494	\$ 3,606,212	\$ 4,896,706

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

Buttermilk Metropolitan District
Balance Sheet
Governmental Funds
December 31, 2025

	<u>General</u>
Assets:	
Cash and cash equivalents	\$ 131,705
Investments	1,421,399
Due from County Treasurer	712
Property taxes receivable	296,378
Prepaid items	16,947
Total Assets	<u><u>1,867,141</u></u>
Liabilities:	
Accounts payable and other liabilities	68,580
Due to water fund	747,882
Total Liabilities	<u><u>816,462</u></u>
Deferred Inflows of Resources:	
Unavailable property tax revenue	296,378
Total Deferred Inflows of Resources	<u><u>296,378</u></u>
Fund Balances:	
Nonspendable	16,947
Restricted for emergencies	9,322
Unassigned	728,032
Total Fund Balances	<u><u>754,301</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 1,867,141</u></u>

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

Buttermilk Metropolitan District
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2025

Governmental Funds Total Fund Balance	\$ 754,301
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Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the funds.

Details of these amounts are as follows:

Capital assets	1,126,106	
Accumulated depreciation	<u>(589,913)</u>	
		<u>536,193</u>

Net Position of Governmental Activities	<u><u>\$ 1,290,494</u></u>
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The accompanying notes are an integral part of these financial statements.

Buttermilk Metropolitan District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	<u>General</u>
Revenues:	
Property taxes	\$ 291,962
Specific ownership tax	8,412
Property tax interest	936
Investment income	4,412
Other income	5,000
Heavy vehicle fees	73,016
Total Revenues	<u>383,738</u>
Expenditures:	
General government	53,577
Public works	129,223
Total Expenditures	<u>182,800</u>
Net Change in Fund Balance	200,938
Fund Balance - Beginning	553,363
Fund Balance - Ending	<u><u>\$ 754,301</u></u>

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

Buttermilk Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances for Total Governmental Funds **\$ 200,938**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of the assets is allocated over their estimated useful lives as depreciation expense. This is the net difference between depreciation and capital additions during the year. Details of these differences are as follows:

Capital additions	21,024	
Depreciation expense	<u>(34,228)</u>	
		<u>(13,204)</u>

Change in Net Position of Governmental Activities **\$ 187,734**

Buttermilk Metropolitan District
Statement of Net Position
Proprietary Funds
December 31, 2025

	<u>Water</u>
Assets:	
Current assets:	
Cash and investments	\$ 296,663
Due from county treasurer	1,134
Property taxes receivable	472,205
Due from general fund	747,882
Other receivables	4,965
Total current assets	<u>1,522,849</u>
Non-current assets:	
Land	83,598
Water system	4,760,100
Less: accumulated depreciation	(2,288,130)
Total non-current assets	<u>2,555,568</u>
Total Assets	<u><u>4,078,417</u></u>
Deferred Inflows of Resources:	
Unavailable property tax revenue	472,205
Total Deferred Inflows of Resources	<u>472,205</u>
Net Position:	
Restricted for emergencies	15,000
Net investment in capital assets	2,555,568
Unrestricted	1,035,644
Total Net Position	<u>3,606,212</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 4,078,417</u></u>

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

Buttermilk Metropolitan District
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	<u>Water</u>
Operating revenues:	
Service fee income	\$ 271,841
Other income	629
Total operating revenues	<u>272,470</u>
Operating expenses:	
Water operations	748,469
Total operating expenses	<u>748,469</u>
Operating income (loss)	(475,999)
Nonoperating revenues (expenses)	
Property tax	466,853
Specific ownership tax	13,394
Property tax interest	973
Investment income	70,348
Total non-operating revenues (expenses)	<u>551,568</u>
Change in Net Position	75,569
Net Position - Beginning	3,530,643
Net Position - Ending	<u><u>\$ 3,606,212</u></u>

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

Buttermilk Metropolitan District
Statement of Cash Flows
For the Year Ended December 31, 2025

Cash Flows From Operating Activities:

Cash received from customers and users	\$ 271,841
Other cash receipts	11,329
Cash payments for goods and services	<u>(589,653)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(306,483)</u></u>

Cash Flows From Non-capital Financing Activities:

Cash received from property and specific ownership taxes, net	481,145
Cash transfers to (from) other funds	<u>50,660</u>
Net Cash Provided (Used) by Non-capital Financing Activities	<u><u>531,805</u></u>

Cash Flows From Capital and Related Financing Activities:

Cash paid for capital acquisitions	<u>(283,128)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u><u>(283,128)</u></u>

Cash Flows From Investing Activities:

Interest income received	<u>70,348</u>
Net Cash Provided (Used) by Investing Activities	<u><u>70,348</u></u>

Net Increase (Decrease) in Cash and Cash Equivalents	12,542
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Cash and Cash Equivalents - Beginning of Year	<u>284,121</u>
--	----------------

Cash and Cash Equivalents - End of Year	<u><u>\$ 296,663</u></u>
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Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Operating income (loss)	<u>\$ (475,999)</u>
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Adjustments:

Depreciation	158,816
(Increase) decrease in accounts receivable	<u>10,700</u>
Total Adjustments	<u><u>169,516</u></u>

Net Cash Provided (Used) by Operating Activities	<u><u>\$ (306,483)</u></u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025**

I. Summary of Significant Accounting Policies

Buttermilk Metropolitan District (the "District") was organized on November 7, 2000, as a quasi-municipal corporation and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Pitkin County, Colorado. The District was established to be able to provide certain public infrastructure and municipal services for the benefit of the residents and property owners within the District. The District serves the West Buttermilk Subdivision, Eagle Pines, and the Pfister tracts, which are adjacent to the Buttermilk Ski Area, as well as East Owl Creek Ranch and Owl Creek Ranch. These areas include a mix of existing homes and vacant lots. The governing body of the District is elected by the registered voters within the District and consists of a five-member board of directors.

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

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

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, all balances are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)**

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements

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

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of the current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference among governmental fund's assets, deferred outflows, liabilities, and deferred inflows is reported as fund balance.

The District reports the following governmental funds:

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

Proprietary Fund

Enterprise Fund – The Enterprise Fund accounts for operations that are financed and operated in a manner which the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the District has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Operating revenues and expenses for enterprise funds are those that result from providing services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports the following proprietary or business-type funds:

The *Water Fund* accounts for the operations of the water infrastructure used to provide water services to customers.

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

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

**Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)**

I. Summary of Significant Accounting Policies (continued)

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and interest income.

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 District's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise 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 non-operating revenues and expenses.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Investments are stated at net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District's investment policy is detailed in note III.A.

**Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. There was no allowance as of December 31, 2025.

3. Capital Assets

Capital assets, which include the water system and road systems and the related improvements and equipment, are reported in the financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Capital assets are depreciated using the straight-line method over estimated useful lives as follows:

Road System: 10 to 40 years
Water System: 5 to 40 years

4. Property Taxes

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

5. Fund Balance

The District classifies governmental fund balances as follows:

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

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

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

Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Fund Balance (continued)

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

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

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

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of targeted reserve positions and management reports the targeted amounts annually to the Board of Directors.

6. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within a reasonable amount of time. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

E. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

As required by Colorado statutes, the District followed the following timetable in approving and enacting a budget for 2025:

- (1) For the 2024 budget year, prior to August 25, 2023, the County Assessor sent the District's the certified assessed valuation of all taxable property within the District's boundaries. Typically, prior to December 10, 2023, the County Assessor would have sent the final recertified assessed valuation to the District's. However, property tax measures enacted by the Colorado Legislature during a special session in November 2023 allowed counties an extension to January 3, 2024 to provide final assessed valuations.
- (2) On or before October 15, 2024, the District's accountant would have submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) Typically, for the 2024 budget, prior to December 15, 2023, a public hearing [was] would have been held for the budget, the Board would have computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board would have adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year. Due to the Colorado Legislature's actions discussed above, the deadline for mill levy certifications was extended from December 15, 2023 to January 10, 2024. For the 2024 budget, the final budget resolution was adopted prior to January 10, 2024.
- (4) After adoption of the budget resolution, the [Government] may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.
- (5) For the 2025 budget, prior to December 15, 2025, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (6) For the 2025 budget, the final budget and appropriating resolution was adopted prior to December 31, 2025.

After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) it may approve emergency appropriations; and d) it may reduce appropriations for which originally estimated revenues are insufficient.

**Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)**

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

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

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$24,322, which is the approximate required reserve, at December 31, 2025.

In 2000, the District's voters authorized the District to collect, retain, and spend all revenue and any year thereafter without regard to any limitations under TABOR.

The District's management believes it is in compliance with the financial provisions of TABOR.

Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on all Funds

A. Deposits and Investments

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

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

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

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. District investment policy limits investments to those authorized by State statutes. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District can diversify its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

At year end, the District had the following deposits and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Term to Maturity	
			Less than one year	More than one year
<i>Deposits:</i>				
Checking and savings	Not rated	\$ 131,705	\$ 131,705	-
<i>Investments:</i>				
Investment pool	AAAm	1,718,062	1,718,062	-
		<u>\$ 1,849,767</u>	<u>\$ 1,849,767</u>	<u>\$ -</u>

At December 31, 2025, the District had the following recurring fair value measurements:

Investments Measured at Net Asset Value

Investment Type	Total
Colotrust	1,718,062

The Investment Pool represents investments in COLOTRUST. The net asset value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2025, the District's investments in COLOTRUST were 100% of the District's investment portfolio.

The District had invested \$1,718,062 in the Colorado Local Government Liquid Asset Trust (the "ColoTrust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. ColoTrust is similar to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

B. Receivables

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water Fund
<i>Receivables:</i>		
Property taxes receivable	\$ 296,378	\$ 472,205
Due from county treasurer	712	1,134
Other	-	4,965
Net receivables	<u>\$ 297,090</u>	<u>\$ 478,304</u>

Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on all Funds (continued)

C. Interfund Receivables, Payables

Interfund receivables and payables as of December 31, 2025 were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 747,882
Water Fund	747,882	-
Total	<u>\$ 747,882</u>	<u>\$ 747,882</u>

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

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Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on all Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	<u>Balance 1/1/2025</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2025</u>
Governmental Activities:				
Capital assets, being depreciated:				
Roads	\$ 1,105,082	\$ 21,024	\$ -	\$ 1,126,106
Total Capital Assets Being Depreciated	<u>1,105,082</u>	<u>21,024</u>	<u>-</u>	<u>1,126,106</u>
Less Accumulated Depreciation for:				
Roads	(555,685)	(34,228)	-	(589,913)
Total Accumulated Depreciation	<u>(555,685)</u>	<u>(34,228)</u>	<u>-</u>	<u>(589,913)</u>
Total Capital Assets Being Depreciated, Net	<u>549,397</u>	<u>(13,204)</u>	<u>-</u>	<u>536,193</u>
Governmental Activities Capital Assets, Net	<u>\$ 549,397</u>	<u>\$ (13,204)</u>	<u>\$ -</u>	<u>\$ 536,193</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 83,598	\$ -	\$ -	\$ 83,598
Total Capital Assets, Not Being Depreciated	<u>83,598</u>	<u>-</u>	<u>-</u>	<u>83,598</u>
Capital assets, being depreciated:				
Water system	4,476,972	283,128	-	4,760,100
Total Capital Assets Being Depreciated	<u>4,476,972</u>	<u>283,128</u>	<u>-</u>	<u>4,760,100</u>
Less Accumulated Depreciation for:				
Water system	(2,129,314)	(158,816)	-	(2,288,130)
Total Accumulated Depreciation	<u>(2,129,314)</u>	<u>(158,816)</u>	<u>-</u>	<u>(2,288,130)</u>
Total Capital Assets Being Depreciated, Net	<u>2,347,658</u>	<u>124,312</u>	<u>-</u>	<u>2,471,970</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,431,256</u>	<u>\$ 124,312</u>	<u>\$ -</u>	<u>\$ 2,555,568</u>

IV. Other Information

A. Risk Management

Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees.

Buttermilk Metropolitan District
Notes to the Financial Statements
December 31, 2025
(Continued)

IV. Other Information (continued)

A. Risk Management (continued)

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

The District pays annual premiums to the Pool for liability, property, and public officials' coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the member pursuant to a distribution formula.

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2025 (the latest audited information available) is as follows:

Assets	\$ 104,753,816
Liabilities	71,011,844
Capital and surplus	33,741,972
Total	<u><u>\$ 104,753,816</u></u>
Revenue	\$ 39,135,493
Underwriting expenses	<u>(35,709,366)</u>
Total revenue	3,426,127
Other income	<u>3,226,482</u>
Net income (loss)	<u><u>\$ 6,652,609</u></u>

B. Commitments and Contingencies

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. The management of the District has disclosed that there are no material outstanding claims against the District at December 31, 2025.

From time to time, the District may enter into multi-year contractual commitments for construction projects. The District has no significant outstanding contractual commitments requiring disclosure at December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Buttermilk Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds - General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Property tax	\$ 296,553	\$ 291,962	(4,591)	\$ 305,856
Specific ownership tax	8,007	8,412	405	8,652
Property tax interest	450	936	486	540
Investment income	5,181	4,412	(769)	5,463
Other income	5,000	5,000	-	5,000
Heavy vehicle fees	-	73,016	73,016	-
Total Revenues	<u>315,191</u>	<u>383,738</u>	<u>68,547</u>	<u>325,511</u>
Expenditures:				
General government:				
Management fees	15,688	20,441	(4,753)	16,584
Accounting and audit	10,523	11,996	(1,473)	10,114
Engineering	750	-	750	-
Insurance	4,920	4,761	159	4,284
Legal	2,500	235	2,265	728
Office supplies	1,440	1,245	195	948
Treasurers fees	14,828	14,659	169	14,684
Miscellaneous	288	240	48	282
Public works:				
Landscaping	4,171	2,712	1,459	1,959
Road maintenance	2,000	5,424	(3,424)	-
Road labor	13,929	9,797	4,132	9,582
Snow removal	103,830	90,266	13,564	127,678
Capital outlay	14,925	21,024	(6,099)	12,504
Contingency	18,632	-	18,632	-
Total Expenditures	<u>208,424</u>	<u>182,800</u>	<u>25,624</u>	<u>199,347</u>
Net Change in Fund Balance	106,767	200,938	94,171	126,164
Fund Balance - Beginning	553,363	553,363	-	427,199
Fund Balance - Ending	<u>\$ 660,130</u>	<u>\$ 754,301</u>	<u>94,171</u>	<u>\$ 553,363</u>

SUPPLEMENTARY INFORMATION

Buttermilk Metropolitan District
Schedule of Revenues, Expenses and Changes in Net Position - Budget
(Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis:
Proprietary Funds - Water Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Service fee income	\$ 220,332	\$ 271,841	\$ 51,509	\$ 204,917
Other income	100	629	529	41,009
Property tax	472,167	466,853	(5,314)	480,939
Specific ownership tax	13,221	13,394	173	11,641
Property tax interest	500	973	473	804
Investment income	69,596	70,348	752	78,794
Total revenues	<u>775,916</u>	<u>824,038</u>	<u>48,122</u>	<u>818,104</u>
Water Operations:				
Management fees	36,602	47,696	(11,094)	38,696
Accounting and audit	24,735	27,991	(3,256)	23,599
Engineering	2,000	2,243	(243)	-
Legal	5,000	548	4,452	1,698
Insurance	10,987	11,108	(121)	9,988
Office supplies	3,792	3,489	303	2,849
Repairs and maintenance	103,000	135,032	(32,032)	157,013
Utilities	21,375	20,138	1,237	20,438
Treasurers fees	23,608	23,407	201	23,212
Miscellaneous	4,000	4,043	(43)	4,032
Snow removal	10,051	9,788	263	24,027
Capital outlay	191,860	283,128	(91,268)	207,260
Purchased water	220,339	255,367	(35,028)	206,711
Meter reading	16,363	18,708	(2,345)	19,994
Contingency	54,586	28,757	25,829	-
Water quality	2,100	1,340	760	1,761
Total expenses	<u>730,398</u>	<u>872,783</u>	<u>(142,385)</u>	<u>741,278</u>
Net Income (Loss) - Budget Basis	<u>45,518</u>	<u>(48,745)</u>	<u>(94,263)</u>	76,826
Reconciliation to GAAP Basis				
Capital outlay		283,130		207,261
Depreciation		<u>(158,816)</u>		<u>(127,013)</u>
Net Income (Loss) - GAAP Basis		<u>75,569</u>		<u>157,074</u>

Buttermilk Metropolitan District
History of Assessed Valuation, Mill Levy
and Property Taxes Collected
December 31, 2025

Calendar Year Ended December 31	Prior Year	All	Property Taxes		Percent Collected to Levied
	Assessed Valuation For Current Year Property Tax Levy	Funds Mills Levied	Total All Funds		
			Levied	Collected	
General Fund:					
2007	23,970,671	7.630	182,896	182,896	100.0%
2008	27,104,380	6.951	188,403	188,382	100.0%
2009	29,748,430	6.951	206,781	206,787	100.0%
2010	47,852,030	4.305	206,003	200,450	97.3%
2011	45,950,290	4.305	197,816	196,789	99.5%
2012	32,806,970	4.305	141,234	141,234	100.0%
2013	32,024,020	4.305	137,863	135,010	97.9%
2014	32,728,180	4.305	140,895	140,336	99.6%
2015	33,919,820	4.305	146,025	146,024	100.0%
2016	31,651,330	5.305	167,910	167,971	100.0%
2017	32,703,790	5.305	173,494	173,494	100.0%
2018	34,450,070	5.305	182,758	182,758	100.0%
2019	34,648,120	7.305	253,105	253,105	100.0%
2020	41,416,500	6.778	280,721	280,940	100.1%
2021	39,400,750	7.525	296,491	296,491	100.0%
2022	46,401,980	6.390	296,509	296,509	100.0%
2023	46,617,450	6.360	296,487	296,487	100.0%
2024	104,065,730	4.537	472,146	481,810	102.0%
2025	72,503,680	4.090	296,540	291,962	98.5%
2026	70,717,690	4.191	296,378		
Proprietary Fund:					
2007	31,735,231	13.434	426,331	427,283	100.2%
2008	40,992,790	10.594	434,278	434,252	100.0%
2009	41,761,950	10.594	442,426	442,426	100.0%
2010	58,476,600	7.573	442,843	438,229	99.0%
2011	57,608,370	7.573	436,268	420,905	96.5%
2012	40,619,120	9.900	402,129	393,516	97.9%
2013	37,689,410	9.900	373,125	371,943	99.7%
2014	38,859,520	9.900	384,709	384,709	100.0%
2015	39,843,390	9.900	394,450	393,977	99.9%
2016	41,969,350	9.900	415,497	414,750	99.8%
2017	42,960,980	9.900	425,314	425,313	100.0%
2018	42,490,320	9.900	420,654	419,093	99.6%
2019	42,800,670	9.900	423,727	422,166	99.6%
2020	46,494,650	9.547	443,884	442,732	99.7%
2021	44,858,460	10.525	472,135	472,135	100.0%
2022	52,718,760	8.958	472,255	471,894	99.9%
2023	52,395,550	9.011	472,136	472,136	100.0%
2024	75,864,170	3.909	296,553	306,489	103.4%
2025	99,194,760	4.760	472,167	466,853	98.9%
2026	91,577,920	5.156	472,176		

NOTE:

Property taxes collected in any one year include amounts attributable to delinquent property taxes levied in prior years, as well as current-year levies.