

**TWIN BUTTES METROPOLITAN DISTRICT NOS. 1-4
2025 ANNUAL REPORT (DOCUMENT SUBMITTAL)
TO THE CITY OF DURANGO, STATE OF COLORADO**

The following information is submitted to the City of Durango consistent with Section XI of the Service Plan for the Twin Buttes Metropolitan District Nos. 1-4 (the "Districts").

(i) Current Fiscal Year Budgets and Final Assessed Valuations

See attached 2026 budgets (Attachment 1), which include the Districts' estimated revenues and expenditures for the year 2026.

(ii) Construction Schedules and Capital Improvement Programs for 2025.

The Districts did not enter into construction of any public improvements as of 12/31/2025.

(iii) Audited Financial Statements for the Prior Fiscal Year.

See attached 12/31/2025 audited financial statements (Attachment 2) for the Districts.

(iv) Total Debt Authorized and Total Debt Issued and Total Remaining Debt Authorized and Intended to be Issued.

District No. 1 - Total debt authorized on November 5, 2013 in the amount of \$37,250,000; The District has had no debt issuance through 12/31/2025.

District No. 2 - Total debt authorized on November 5, 2013 in the amount of \$37,250,000; Existing debt issuance includes tax revenue bonds Series 2025 in aggregate principal amount of \$10,000,000 issued in 2025.

District No. 3 - Total debt authorized on November 5, 2013 in the amount of \$37,250,000; The District has had no debt issuance through 12/31/2025.

District No. 4 - Total debt authorized on November 5, 2013 in the amount of \$37,250,000; The District has had no debt issuance through 12/31/2025.

(v) Name, Address and Telephone Number of the Districts' Contact Person and Names and Terms of Members of the Board of Directors and its Officers as of 10/1/2025.

District Contact Person: Lisa K. Mayers, Esq.
General Counsel
Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, Colorado 80203
(303) 839-3800
E-mail: lmayers@spencerfane.com

Board of Directors District No. 1

NAME	POSITION	TERM(S)
Glenn Pauls	Chair and President	2029
Scott Strand	Secretary/Treasurer	2029
Dianne Pauls	Vice-President	2027
Philip Schoon	Vice-President	2027
Trevor Pauls	Vice-President	2027

Board of Directors District No. 2

NAME	POSITION	TERM(S)
Scott Strand	Chair and President	2027
Philip Schoon	Secretary/Treasurer	2027
Werner Heiber	Vice-President	2027
Christine Jerpbak	Vice-President	2029
Wendy Congleton	Vice-President	2029

Board of Directors District No. 3

NAME	POSITION	TERM(S)
Glenn Pauls	Chair and President	2029
Scott Strand	Secretary/Treasurer	2027
Dianne Pauls	Vice-President	2027
Philip Schoon	Vice-President	2027
Trevor Pauls	Vice-President	2027

Board of Directors District No. 4

NAME	POSITION	TERM(S)
Glenn Pauls	Chair and President	2029
Scott Strand	Secretary/Treasurer	2027
Dianne Pauls	Vice-President	2027
Philip Schoon	Vice-President	2027
Trevor Pauls	Vice-President	2027

ATTACHMENT 1
Current Fiscal Year Budget
2025 Revised and 2026 Adopted Budgets
District Nos. 1 - 4

**RESOLUTION
TO ADOPT 2026 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
TWIN BUTTES METROPOLITAN DISTRICT NO. 1**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2026 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE TWIN BUTTES METROPOLITAN DISTRICT NO. 1, LA PLATA COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2026, AND ENDING ON THE LAST DAY OF DECEMBER, 2026.

WHEREAS, the Board of Directors of the Twin Buttes Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 11, 2025, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is **\$0**; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is **\$0**; and

WHEREAS, the 2025 valuation for assessment for the District as certified by the County Assessor of La Plata County is **\$160,310**; and

WHEREAS, at an election held on November 5, 2013, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TWIN BUTTES METROPOLITAN DISTRICT NO. 1 OF LA PLATA COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Twin Buttes Metropolitan District No. 1 for calendar year 2026.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2026 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2026 budget year, there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby

certified a temporary property tax credit or temporary mill levy rate reduction of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2026 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2026 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2026 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

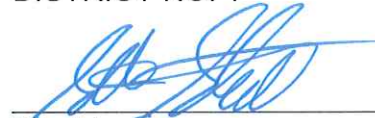
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2025 to the Board of County Commissioners of La Plata County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of La Plata County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2025, in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 11th day of December 2025.

TWIN BUTTES METROPOLITAN
DISTRICT NO. 1



President

ATTEST:



Secretary

LETTER OF BUDGET TRANSMITTAL

Date: December 15, 2025

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2026 budget and budget message for TWIN BUTTES METROPOLITAN DISTRICT NO. 1 in La Plata County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 11, 2025. If there are any questions on the budget, please contact:

Paula Schler, Secretary to the Board
692 Twin Buttes Avenue
Durango, CO 81301
Telephone number: (970) 259-5306

I, Paula Schler, Secretary of the Twin Buttes Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2026 budget.

By:


Secretary

ATTACHED COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of La Plata County, Colorado.On behalf of the Twin Buttes Metropolitan District No. 1,(taxing entity)^Athe Board of Directors(governing body)^Bof the Twin Buttes Metropolitan District No. 1(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 160,310
assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of:

\$ 160,310(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: December 15, 2025 for budget/fiscal year 2026
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)**LEVY²****REVENUE²**

1. General Operating Expenses ^H	<u>0.000</u> mills	<u>\$ 0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u><0.000 ></u> mills	<u>\$ <0 ></u>
SUBTOTAL FOR GENERAL OPERATING:	<u>0.000</u> mills	<u>\$ 0</u>
3. General Obligation Bonds and Interest ^J	<u>0.000</u> mills	<u>\$ 0</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	<u>\$ 0</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	<u>\$ 0</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	<u>\$ 0</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	<u>\$ 0</u>
	<u>0.000</u> mills	<u>\$ 0</u>

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]0.000

mills

\$ 0Contact person: Paula SchlerPhone: (970) 259-5306Signed: Title: Secretary

Survey Question: Does the taxing entity have voter approval to adjust the general
operating levy to account for changes to assessment rates?

☐ Yes ☐ No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|-------|
| 1. | Purpose of Issue: | N/A |
| | Series: | |
| | Date of Issue: | |
| | Coupon Rate: | |
| | Maturity Date: | |
| | Levy: | 0.000 |
| | Revenue: | |
| | | |
| 2. | Purpose of Issue: | |
| | Series: | |
| | Date of Issue: | |
| | Coupon Rate: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |
| | | |
| 4. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

To: Board of Directors
From: Steven "Willie" Wilson
CC: File, DWC
Date: 12/5/2025
Re: Revised 2025 and Proposed 2026 Budget Submittal to The Boards ("The Budget Message")

DISTRICTS' SERVICES:

Formed on August 27, 2013 the Districts provide the management, implementation and the coordination of the financing, acquisition, completion and operation of certain public infrastructure and services throughout the development. The improvements are for the collective use and benefit of the property owners and residents of the Districts. District No. 1 operates and maintains all other improvements within the development consistent with both its service plans as well as with an intergovernmental agreement entered into with the City of Durango. In the absence of a master property owners' association District No. 1 performs design review and covenant enforcement for the community.

BASIS OF ACCOUNTING:

The basis of accounting utilized in the preparation of the **2025** and **2026** budgets for the Districts is the modified accrual method. The Districts' **2025** and **2026** Budgets include projected revenues and expenditures for general operating funds, debt service funds and capital projects funds.

IMPORTANT FEATURES OF THE BUDGET:

The budgets do not result in any violation of any applicable property tax or fiscal year spending limitations. Based on prior electoral approval, the property tax revenue IS NOT subject to statutory limitations imposed by Section 29-1-301, C.R.S. or limitations imposed by Article X, Section 20 of the Colorado Constitution. Moreover, there is no cap imposed on the Districts' mill levies in their Service plans as approved by the City. However, under the Districts' bond issue documents, the Districts may but are not required to certify a debt service mill levy greater than 50 mills, adjusted in accordance with the Gallagher Amendment. In this budget certain debt service mill levies are certified at 50 mills as a result of that adjustment. Emergency reserves for all applicable funds have been established at 3% (or greater) trailing year fiscal spending of each applicable fund.

General Note: In 2016 under advice of District Counsel and resulting from certain litigation possibly affecting Colorado Special Districts' authority to issue debt for capital improvements, bond financing activity was assumed by District #2 where the elected directors are selected from the ownership base of the District.

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

District #1-Background Summary

Please note **2024** actual results reflected a deeper deficit than the **2025** adopted budget. This additional deficit was effectively covered by an additional developer advance. Accordingly, the **2025** activity will need to reimburse these accumulated advances. However, the current year (**2025**) projected surplus, which is primarily attributable to the active real estate activity primarily associated with the completion and related sales within Filing 4. The surplus, if it materializes will primarily be in the **4th quarter** of the year and it is projected that all developer advances will be paid to the developer and fund reserves will grow to approximately **\$28K**.

District #1-General Fund

Revised Fund Activity of **\$13.5K**, which is “net” after repaying short term advances back to the Developer (TBDI) raise reserves from **\$14K** to **27.5K**. Departure from original budget is primarily attributable to a slight drop off in targeted filing **#4** sales activity and Beat Street Farm competition eating into the Farm’s market share. Further discussion on the Farm is below.

The proposed **2026** budget reflects a significant improvement in fund reserves. Projected net fund activity of approximately **\$158K** from, **\$27.5K** to **\$186K**. The improvement over prior year(s) is primarily attributable to,

- Improvement in property taxes via it being a “reassessment” year.
- Retail Farm revenue growth
- Keeping operating costs flat

I will be discussing further at our upcoming meeting on **December 11th** 1.) adequate reserves 2.) Repair and Replacement Reserve Funding 3.) Community improvements and 4.) developing a prioritization policy.

Farm Activity

Under the new Manager, Ben Goodrich, he 1). brought the Farm back into an aesthetically pleasing and fully functional operation and 2). is providing an abundance of produce on a reliable basis. As the District manager, I work closely with Ben and have observed the revitalized operations and I feel very comfortable that Ben and the Farm are performing optimally and any potential negative outcomes are from variables that are outside his control. That being said new competition from “Beat Street Farm” is impacting wholesale revenues however our long-term strategy is to move away from wholesale as focus on our community grows.

The take away is that Ben has accomplished the two primary goals that are a prerequisite to a successful farm operation These two fundamental attributes will influence shopping habits driving more residents and outside community members to the Farm Stand on a on an increasingly consistent basis.

District #2 General Fund- District **#2** represents the residential sector for phase 1 of the development. It also holds the largest portion of the tax base (**86%**). Projected **2025** Fund revenues of **\$315K** will be below budget (**\$352K**) by approximately **\$37K** as development fees from original lots sales (from Filing 4) will not meet the targeted level. However real estate transfer fees will reach an all-time high at **\$110K**. Budgeted **2026** revenues of **\$419K** represents a **26%** increase over

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

revised **2025**. This increase is fueled by a growing tax base and real estate activity comparable to revised **2025**.

District 2 Debt Service Fund:

Pursuant to the Board action taken on November 7th, The District was successful in refinancing the entirety of its existing debt under the parameters set forth at that meeting. Accordingly, the Districts' debt service mill levy will **drop 15 mills** from **50 to 35** mills for the upcoming year...yea....Now that the new debt service on the new bonds is effectively level property owners should see future reductions in the DS mill levy.

District #3: Revised 2025 and Proposed 2026 District #3 represents the residential sector for phase 2 of the development. The reassessment year has also driven up property values this district as well. Accordingly, in **2026** O&M tax revenues will grow from **\$8.4K** to **\$10.4K** and Debt Service from **\$21K** to **\$26K**. The **2026** Budget reflects levying **20** mills for O&M purposes and **50** mills for debt service. Please see page 7 for further review and consideration.

District #4: Revised 2025 and Proposed 2026 District #4 represents the commercial sector for the entire development. Through the recent inclusion process by this District to annex the commercial corridor running West from the Speedway gas station property to the Animas High school ("AHS") location the District has been supplemented with potential significant additional tax base which will both drive O&M and Debt Service property taxes as well as public improvement fees (sales tax equivalents). Please see both pages 6 and 7 for additional review and consideration. The growth in the tax base has been curtailed somewhat by the continued utilization of property for public, tax exempt functions and in turn depriving District **#4** of significant O&M and debt service property tax revenues. This shortfall has been recently recouped by raising the O&M mill levy rate on the Speedway gas station, which is owned by an international conglomerate. The owner of the property has not expressed any concern. However, the forecasted **2025** tax base is to increase approximately 5% to **\$1.342M** from **\$1.275M** in **2024**. which will produce approximately **\$90K** for O&M and **\$76K** for Debt service. Please see page 7 for further review and consideration.

Please Contact Steven Wilson (willie@twinbuttesofdurango.com) or 970.729.3405 if you would like more information regarding this budget.

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
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6	District #4-Fund Summary
7	Districts 1-4-Assessed Valuation and Property Tax Analysis (Mill Levies)

SUMMARY District #1													COMMENTS
General Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4060000-Farm Revenues	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	Growing Retail Base, additional Farm stands
4070003-Alpine Bank PDPA Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing Idle cash base
4070005-Sale of Asset-Proceeds	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070010-Misc Income-billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Shoveling Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	Continue with this service
Total Operating Revenue	114,413	113,991	90,940	79,642	93,107	87,763	63,689	52,838	63,905	62,400	1,505	62,900	
4900002-Development Fees IN-from D2 DSF	39,090	60,421	48,275	75,000	96,067	36,290	24,180	24,654	12,274	75,000	(62,726)	-	
4900003-Development Fees IN-from D2 O&M 2025	-	-					-	-	30,000	-	30,000	39,000	Primarily Filing 4 Activity
4900004-Real Estate Trans. Fees (RETF)-IN from D2 O&M	37,644	15,653	23,536	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380	Primarily Filing 4 Activity
4900012-O&M Property Tax IN-from D2 O&M	89,938	44,689	49,291	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462	(20 mills)-See Prop Tax Sum Pg 7
4900022-O&M Property Tax IN-from D3 O&M	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	(20 mills)-See Prop Tax Sum Pg 7
4900032-O&M Property Tax IN-from D4 O&M	12,636	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	(62.364 mills)-See Prop Tax Sum Pg 7
4900050-PIF Revenues IN-from D4 O&M	-	469	954	905	316	35	16	68	215	15	200	15	
4900055-CTF Receipts IN-from D2 O&M	-	-	-	-	-	64	134	147	767	62	705	800	
4900055-CTF Receipts IN-from D3 O&M		-	-	-	-	13	14	12	12	12	0	12	
4900033-InterGovt NonCash Adj_ with D4	(1,388)	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Revenue	178,533	137,966	136,470	236,085	321,763	248,921	297,274	327,564	427,406	453,108	(25,703)	520,524	
Total Revenues	292,946	251,957	227,410	315,727	414,870	336,684	360,963	380,402	491,310	515,508	(24,198)	583,424	
Expenditures													
5100000-Mgmt & Admin.	(158,981)	(186,856)	(176,758)	(196,770)	(217,760)	(252,976)	(262,009)	(284,299)	(291,022)	(280,822)	(10,200)	(295,178)	Anticipated inflationary adjustments
5301000-Farm Operations	(164,048)	(156,304)	(134,966)	(105,426)	(95,169)	(102,297)	(99,457)	(94,448)	(96,751)	(95,329)	(1,422)	(87,596)	Improving productivity via 2025 cleanup/org
5701000 Community Prop. & Grounds Maint.	-	(14,942)	(23,882)	(12,867)	(27,651)	(53,787)	(39,835)	(23,956)	(36,827)	(27,500)	(9,327)	(27,780)	Expanding outsourced property maintenance
5900012-Contingency	-	-	-	-	-	-	-	-	(5,000)	(15,000)	10,000	(15,000)	
Capital & Other	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	See discussion in Budget Message
Total Expenditures	(323,879)	(358,102)	(338,069)	(315,063)	(343,758)	(416,792)	(401,300)	(402,704)	(429,600)	(418,651)	(10,949)	(425,554)	
NET ACTIVITY before Other Source/(Uses)	(30,933)	(106,145)	(110,659)	664	71,112	(80,108)	(40,337)	(22,302)	61,710	96,857	(35,147)	157,870	
Other Sources/(Uses)													
4800003-Developer Advances	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	Settle TBD 2023 & 2024 subsidy
InterEntity Settlement with D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Sources and Uses	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	
Net Fund Activity	147,073	(81,022)	(40,981)	22,843	71,112	(80,108)	(14,377)	0	13,448	79,925	(66,477)	157,870	
Fund Balance-Beginning of Period	(10,440)	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	14,100	-	27,548	
Fund Balance-Ending of Period	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	27,548	94,025	(66,477)	185,418	
Restricted-Emergency (TABOR)	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	-	14,100	TABOR Rsrv 3% of HighToDate fund exp
Unrestricted	122,533	41,511	530	23,373	94,485	14,378	-	-	13,448	79,925	(66,477)	171,318	
Total Fund Balance	136,633	55,611	14,630	37,473	108,585	28,478	14,100	14,100	27,548	94,025	(66,477)	185,418	

Revised 2025 and Proposed 2026 Budget

District #1-Adiministrative Cost Summary

ADMINISTRATIVE													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4070000-Sale of Assets	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070003-Alpine Bank Oper Acct Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing idle cash base
4070010-Misc Income & billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Removal Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	2023/24-58 sites, 2024/25-60 sites
Subtotal Revenue	11,250	15,750	12,750	21,000	35,250	22,606	27,323	22,688	35,610	23,400	12,210	22,900	
5100102 -Contract-Dist Mgr/Fin. Dir./PRtax.	35,000	36,553	36,540	35,151	45,760	57,555	65,601	68,177	67,000	67,000	0	69,010	3% increase
5100109 -Workers Comp	25		44						-	-	-	-	
5100111 -Payroll Processing	2,686	2,915	2,994	2,795	2,740	3,679	3,455	3,595	3,514	3,600	86	3,625	
5100201 -Contract Svc -Administration	7,888	8,858	11,933	12,217	17,378	28,399	40,951	49,370	60,391	46,203	(14,188)	62,202	Paula involved in amassing activities
5100203 -Contract Svc Accounting	25,388	34,813	29,390	30,761	42,849	43,774	36,454	36,583	39,312	39,600	288	42,000	
5100204 -Contract-Staff Accounting	-	-	-	-	-	-	-	5,154	4,499	4,893	395	4,769	2026=2025x1.06
5100205 -Design Review-Professional Svc	1,400	-	-	-	-	-	-	-	-	-	-	-	
5100206 -DRC-Contract Svc Admin	17,048	21,149	33,462	43,321	38,775	32,120	37,738	39,650	25,895	35,026	9,131	26,672	Offsetting variances w Admin
5100207 -DRC-Admin Costs	-	59	795	2,367	1,302	584	480	509	593	500	(93)	500	\$10/mo zoom
5100301 -Auto Expense-Mileage Reimburse	-	-	-	-	-	-	-	-	-	-	-	-	
5100303 -Bank Charges	99	-	-	-	-	-	-	-	-	-	-	-	
5100306 -DRC & Board Meetings	25	-	-	-	1,254	900	708	-	1,000	1,200	200	1,200	Allowance for DRC gift baskets
5100307 -Insurance-Commercial Policy	9,357	10,375	10,346	9,511	9,523	11,454	11,575	11,690	12,119	12,000	(119)	12,500	
5100375 -Stormwater Regulation	-	-	-	-	66	-	-	-	-	-	-	-	
5100399 -Bad Debt Expense	512	-	78	-	1	-	-	-	-	-	-	-	
5100400 -Legal Fees	28,345	15,910	18,738	22,063	17,774	31,815	19,202	22,232	17,701	15,000	(2,701)	17,000	level w 2025 actual
5100480 -Audit Fees	26,784	51,757	27,929	34,072	34,589	36,452	38,720	40,750	41,384	42,000	616	42,000	Engagement Letter soon
5100490 -MIS Support/Website Maint	-	-	-	-	897	1,691	2,232	1,782	6,164	2,000	(4,164)	2,000	2025Tablet/Ionos/Pickle/ADAweb&docs
5100501 -Postage & Freight	98	50	-	63	42	123	81	20	93	100	7	100	
5100503 -SDA Membership & Publications	1,217	1,266	1,256	1,401	1,689	1,413	1,650	1,439	1,347	1,500	153	1,500	SDA/ColoSOS/DroBusLic/CObusLic
5100505 -Office Lease	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	9,980	10,000	20	10,000	Developer lease-Incl. utilities
5100521 -Office Supplies	-	131	253	-	121	15	160	211	13	-	(13)	-	Included in lease
5100550 -Misc & Other	109	20	-	48	-	-	-	137	19	200	181	100	
Total Management, Accounting & Admin	158,981	186,856	176,758	196,770	217,760	252,976	262,009	284,299	291,022	280,822	(10,200)	295,178	
5701000 Community Property & Grounds Maint.													
5701002 · Prop Maint-Labor Alloc	-	-	-	-	12,008	36,172	10,015	728	1,568	1,500	(68)	2,700	Primarily TBDI Allocated Labor
5701006 · Prop Maint-Work Comp Ins	-	-	-	-	-	-	1,151	-	-	-	-	60	
5701006 · Prop Maint-Subcontract	-	14,942	23,882	12,873	11,875	10,561	24,353	20,160	31,713	23,000	(8,713)	21,020	Snow, Ldsp, grass, Portapotty
5701008 · Prop Maint-Materials	-	-	-	-	3,768	7,054	4,316	2,358	2,643	3,000	357	3,000	
5701020 · Prop Maint-Utilities	-	-	-	-	-	-	-	710	902	-	(902)	1,000	Water usage-WildChives/RowePk
5701000 Community Property & Grounds Maint.	-	14,942	23,882	12,873	27,651	53,787	39,835	23,956	36,827	27,500	(9,327)	27,780	

FARM OPERATIONS													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4060000 Farm Sales													
4060002 CSA Produce Share	18,900	-	-	-	-	-			200	-	200	-	
4060004 Wholesale Egg Sales	886	1,908	1,319	759	219	615	282	714	330	-	330	-	
4060006 Wholesale Sales	80,744	84,753	63,557	43,395	40,503	45,645	26,636	16,625	8,962	20,000	(11,038)	15,000	
4060012 Farm Stand Sales (net of discount)	2,633	11,580	13,314	14,488	17,135	18,898	9,448	12,811	19,002	19,000	2	25,000	
Total 4060000 Farm Sales	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	
5301000 Operating Expenses													
5301004 - Wages Farm Staff	116,604	106,934	92,614	72,246	62,832	76,010	70,000	62,080	70,910	63,000	(7,910)	60,000	Supporting Schedule
5301008 - Payroll Taxes	9,270	8,501	7,363	5,744	5,167	6,001	5,382	4,873	5,591	5,088	(503)	4,800	8% of Wages
5301005 - Wages Temp Labor	345	148	1,061	474	-	-	-	413	-	600	600	-	
5301009 Workers Comp	4,041	4,146	3,632	2,043	1,628	1,653	1,917	920	986	1,800	814	1,600	(\$1,400 + \$200 audit)
5301010 Licensing/Certs/Dues	100	50	204	50	26	-	16	-	96	66	(30)	96	DRO/CODOR/Egg licenses
5301011 Auto/Mileage Reimbursement	485	535	-	-	180	575	668	861	750	250	(500)	800	
5301012 Publications	-	-	-	-	-	-	-	-	-	-	-	-	
5301013 Apiary Production Costs	823	-	725	132	950	536	389	435	-	500	500	500	
5301014 Egg Production Costs	2,080	3,213	1,766	1,782	1,355	2,774	1,346	1,642	1,072	2,200	1,128	1,000	Primarily Chx Feed
5301016 - Goods for Resale	-	-	1,482	2,977	3,067	62		4,621	2,835	4,200	1,365	3,000	Palis.Peaches/OlathCorn
5301025 Advertising and Promotion	-	640	27	48	-	-	690	-	-	-	-	-	
5301030 Topsoil & amendments	1,119	734	-		886	422	2,396	480	782	500	(282)	500	\$200 CC, 800 for Fert
5301031 Soil Testing	395	495	-	211	-	-			-	-	-	-	Under Research
5301032 Seeds & Starts	3,981	3,562	3,387	3,475	2,304	2,390	2,854	2,987	2,224	3,100	876	3,100	\$2800 Seeds, \$500 PS
5301033 Fertilization	1,996	2,556	3,835	1,831	918	1,061	2,171	1,330	1,157	1,330	173	1,330	Fish/blood meal
5301034 General Supplies, Consumable	1,189	8,992	2,235	1,719	4,496	1,018	707	4,220	3,807	2,500	(1,307)	2,500	
5301040 Packaging													
5301042 Egg Packaging	-	-		-	-	-	-	-	-	400	400	400	
5301044 Wholesale Packaging	759	1,178	261	1,396	640	969	1,080	1,745	-	700	700	700	
5301050 Tools and Equipment													
5301051 Tool Purchase	-	-	-	-	-	-	-	-	692	100	(592)	800	
5301052 Equipment Repair & Maintenance	5,047	3,451	3,466	1,038	2,193	1,522	1,989	1,024	619	750	131	750	
5301054 Equipment Rental	-	-	-	-	-	-	-	-	100	-	(100)	-	
5301060 Utilities													
5301062 Propane						1,072	2,106	2,113	1,383	2,200	817	1,700	
5301064 Electricity	4,864	4,212	5,091	3,191	4,535	1,449	1,558	1,559	1,111	1,600	489	1,300	Harvest station power
5301066 Water						581	606	819	1,083	800	(283)	1,000	
5301069 Sanitation-portapotties						402	784	670	959	825	(134)	-	6 months/yr
5301070 Farm Truck F150													
5301072 Truck Fuel	6,274	2,699	3,666	2,973	3,597	862	723	689	253	800	547	400	
5301074 Truck Repair & Maintenance						2,204	1,882	161	76	1,500	1,424	800	
5301076 Truck Insurance/Registration									-	-	-	-	
5301090 Travel and Meals	1,186	878	268	226	-	377	72	365	145	200	55	200	
5301095 Misc & Other			13		274	238		321	-	200	200	200	
5301505 Land Leases	3,490	3,380	3,870	3,870	120	120	120	120	120	120	-	120	McIntyre East plot
Total Farm Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Total Event Development										-		-	
Total Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Operating Surplus/(Deficit)	(60,885)	(58,063)	(56,776)	(46,784)	(37,312)	(37,139)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	
6000000 Capital Purchases/Expenditures													
6000012 Vehicles and Accessories	-	-		-	17,250	(1,000)	-	-	-	-	-	-	
6000014 Trailer/Snow Blower	-	-		-		(950)	-	-	-	-	-	-	
6000016 Maintenance and Storage Barn	(850)	-		-	(1,803)	(1,593)	-	-	-	-	-	-	
6000026 Tractor & Implements	-	-	(2,463)	-		(3,500)	-	-	-	-	-	-	
6000030 Website Development	-	-		-	(9,600)		-	-	-	-	-	-	
6000036 Infrastructure Cost Audit	-	-		-	(9,026)	(690)	-	-	-	-	-	-	
Total 6000000 Capital Purchases	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	
Net Surplus/(Deficit) (or Funding Requirement)	(61,735)	(58,063)	(59,239)	(46,784)	(40,490)	(44,872)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	

District #2													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
GENERAL FUND													
Revenue													
4121001-D2 Property Taxes-O&M RE Tax	83,988	41,085	45,826	98,889	102,014	89,825	111,416	165,490	166,558	166,558	0	262,700	See Page 7 for further analysis 9% of RE 3% RE tax-Collection Fee
4121003-D2 Property Taxes-O&M SO Tax	8,409	4,836	4,841	9,645	11,396	11,400	11,424	14,844	15,394	18,321	(2,927)	23,643	
4121005-D2 Treasurer Fees-O&M fees	(2,520)	(1,233)	(1,375)	(2,862)	(3,060)	(2,800)	(3,342)	(5,158)	(4,997)	(4,997)	(0)	(7,881)	
4121002-D2 PropTax-O&M RE Abate/Backfill	-	-	-	(3,500)	-	3,500	-	6,449	-	-	-	-	
Total O&M Property Taxes	89,877	44,688	49,292	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462	2026 Filing 4 & Secondary Sales 2026 Primarily Filing 4 Activity
4200002-D2 Real Estate Transfer Fees (RETF)	28,548	15,654	23,535	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380	
4402002-D2 Development Fees	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	39,000	75,000	(36,000)	39,000	
4402000-D2 Conserv. Trust Funds (CTF)	-	-	-	-	-	64	134	147	767	62	705	800	
Total O&M Other Fee Revenue	76,548	66,654	77,535	138,590	123,913	85,512	107,294	50,737	146,559	172,442	(25,883)	141,180	
Total Revenue	166,425	111,342	126,827	240,762	234,262	187,438	226,791	232,362	323,514	352,325	(28,811)	419,642	
Expenditures													
Intergovernmental													
9300011-D2 O&M Prop.Tax OUT to D1	(89,938)	(44,689)	(49,291)	(102,172)	(110,349)	(101,925)	(119,497)	(181,625)	(176,956)	(179,883)	2,927	(278,462)	
9300003-D2 RETF OUT to D1	(37,644)	(15,653)	(23,536)	(42,590)	(54,913)	(49,449)	(80,160)	(26,590)	(106,792)	(97,380)	(9,412)	(101,380)	
9300002-D2 Dev Fees OUT to D1-2025 & 2026	-	-	-	-	-	-	-	-	(30,000)	-	(30,000)	(39,000)	
9300025-D2 CTF OUT to D1	-	-	-	-	-	(64)	(134)	(147)	(767)	(62)	(705)	(800)	
9290003-D2 Cap Outlay-Dev Offset-2018	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)	
Total Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)	
Net Fund Activity-BEFORE Other Sources/(Uses)	38,843	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-	
Other Financing Sources/(Uses)													
4800003-Operating Subsidy from TBD Inc.	-	125,372	-	-	-	-	-	-	-	-	-	-	
9250012-Bond-2018B Bond COI Costs	-	(125,372)	-	-	-	-	-	-	-	-	-	-	
9320101-Dev Fees OUT Fr D2 O&M- To D2 DSF	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-	
Net Other Sources/(Uses)	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-	
Net Fund Activity-AFTER Other Sources/(Uses)	(9,157)	-	-	(0)	-	-	-	-	-	-	-	-	
Fund Balance-Beginning of Period	9,157	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	(0)	-	-	-	-	-	-	-	-	
Restricted-Emergency (TABOR)	4,900	4,900	4,900	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	TABOR Rsrv 3% HighToDate exp
Unrestricted	(4,900)	(4,900)	(4,900)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	
Total Fund Balance	-	-	-	(0)	-	-	-	-	-	-	-	-	

District #2													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
DEBT SERVICE FUND													
Revenues													
4122001-D2 Property Taxes-DSF RE Tax	83,988	102,713	115,749	247,223	255,034	224,561	278,541	413,725	416,396	416,396	0	459,724	See Page 7 for further analysis - 2022 Abate Recapt/2024 Backfill 9% of RE 3% RE tax-Collection Fee - 2023 Backfill-Not given for DebtSvc
4122002-D2 PropTax-DSF RE Abate	-	-	-	(8,751)	-	8,747	-	-	-	-	-	-	
4122003-D2 Property Taxes-DSF SO Tax	8,515	10,967	12,200	24,273	28,341	25,293	28,333	37,110	38,110	45,804	(7,694)	41,375	
4122005-Treasurer Fees-DSF Fees	(2,520)	(3,081)	(3,472)	(7,154)	(7,651)	(6,999)	(8,356)	(12,412)	(12,492)	(12,492)	(0)	(13,792)	
4122002-D2 PropTax-DSF RE Backfill	-	-	-	-	-	-	-	-	-	-	-	-	
Total DSF Property Taxes	89,983	110,599	124,477	255,591	275,724	251,603	298,517	438,423	442,014	449,708	(7,694)	487,308	
4901030-DSF Property Tax IN-from D3DSF	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
4901040-DSF Property Tax IN-from D4DSF	64,978	59,005	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Total Intergovernmental Revenue	64,978	65,340	64,548	57,981	65,822	85,366	85,225	90,144	97,287	98,206	(918)	101,522	
4700000-Interest on Restricted Funds	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300	Int on Avg bal \$451k@ 4.5%
Total Restricted Revenue	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300	
Total Revenue	157,611	181,572	196,937	314,925	341,583	342,961	405,300	557,697	561,125	572,713	(11,589)	609,129	
Expenditures													
Intergovernmental													
9300001-D2 Dev. Fees OUT TO D1	(39,090)	(60,421)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-	Xfr>D1=DecPY Plus Jan-NovCY
4901041-D2 InterGovt NonCashAdj_with D4-DSF	(6,942)	6,942	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(46,032)	(53,479)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-	
Debt Service													
2710202 - Princ Reduction-2016A Bonds	-	-	(35,000)	(50,000)	(60,000)	(65,000)	(65,000)	(70,000)	(3,870,000)	(75,000)	(3,795,000)	-	6th princ pmt-due 12/1_A Bonds only - Interest paid_A Bonds - 1st princ pmt in 12.24 - Interest paid_B Bonds - 2026 Principal 2025 Bond 2026 Interest 2025 Bond
9251000 - Interest Exp-2016A Bonds	(258,169)	(258,169)	(258,169)	(256,025)	(252,963)	(249,288)	(245,306)	(241,325)	(244,992)	(237,038)	(7,954)	-	
2710401 - Princ Reduction-2018B Bonds	-	-	-	-	-	-	-	(10,000)	(4,490,000)	(70,000)	(4,420,000)	-	
9252000 - Interest Exp-2018B Bonds-Paid	-	-	-	-	-	-	(119,918)	(228,161)	(250,000)	(188,000)	(62,000)	-	
2710501 - Principal Activity-2025 Bonds	-	-	-	-	-	-	-	-	9,930,600	-	-	(580,125)	
9253000 - Interest Exp-2025 Bonds-Paid	-	-	-	-	-	-	-	-	-	-	-	-	
9255000 - Filing 3 Escrow	-	-	-	-	-	-	-	-	-	-	-	-	
Increase in Escrow for 2025 Bonds	-	-	-	-	-	-	-	-	-	-	-	-	
9810000-Trustee Fees/COI	(3,500)	(3,500)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(308,500)	(7,000)	(301,500)	(4,000)	2025 Bond \$6k-2025/ \$4k 2026
Total Debt Service Expenditures	(261,669)	(261,669)	(300,169)	(313,025)	(319,963)	(321,288)	(437,224)	(556,486)	767,108	(577,038)	(8,586,454)	(584,125)	
Total Expenditures	(307,701)	(315,148)	(348,444)	(388,025)	(416,030)	(357,578)	(461,404)	(581,140)	754,834	(652,038)	(8,523,728)	(584,125)	
Net Fund Activity-BEFORE Other Sources/(Uses)													
	(150,090)	(133,576)	(151,507)	(73,100)	(74,447)	(14,616)	(56,104)	(23,443)	1,315,959	(79,324)	(8,535,317)	25,004	
Other Sources/(Uses)													
480003 - Operating Subsidy from TBD Inc.	3,500	29,698	108,000	-	-	(3,500)	-	-	-	-	-	-	
Settlement with TBDI (2016A Bond COI)	-	-	-	-	-	-	-	-	-	-	-	-	
4902102-Dev Fees IN-Fr D2O&M To D2DSF	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-	
Change in A/P and A/R	-	-	-	-	-	-	-	-	-	-	-	-	
Net Other Sources/(Uses)	51,500	80,698	162,000	96,000	69,000	32,500	27,000	24,000	9,000	75,000	(66,000)	-	
Net Fund Activity-AFTER Other Sources/(Uses)													
	(98,590)	(52,878)	10,493	22,900	(5,447)	17,884	(29,104)	557	1,324,959	(4,324)	(8,601,317)	25,004	
Fund Balance-Beginning of Period													
	463,000	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	323,800	5,014	1,653,774	
Fund Balance-Ending of Period													
	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	1,653,774	319,476	(8,596,302)	1,678,778	

Twin Buttes of Durango Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #3-Fund Summary

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
GENERAL FUND													
Revenues													
4131001-D3 Property Taxes-O&M RE Tax	573	2,370	2,390	3,584	7,184	6,696	7,373	7,961	7,961	7,961	(0)	9,883	See Page 7 for further analysis
4131003-D3 Property Taxes-O&M SO Tax	57	241	258	356	772	751	756	729	730	876	(146)	889	9% of RE
4131005-D3 Treasurer Fees-O&M fees	(17)	(71)	(72)	(108)	(216)	(201)	(221)	(256)	(239)	(239)	0	(296)	3% RE tax-Collection Fee
4131002-D3 PropTax-O&M RE Backfill	-	-	-	-	-	-	-	561	-	-	-	-	
Net O&M Property Taxes	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	
4200002-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
4420002-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
4403000-D3 Conserv. Trust Funds (CTF)	-	-	-	-	-	13	14	12	12	12	0	12	
Total Other Fee Revenue	-	-	-	-	-	13	14	12	12	12	0	12	
Total Revenues	613	2,540	2,576	3,832	7,741	7,260	7,922	9,007	8,464	8,610	(146)	10,488	
Expenditures													
Intergovernmental													
9300013-D3 O&M Property Tax OUT to D1	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,247)	(7,908)	(8,995)	(8,452)	(8,598)	146	(10,476)	
9300025 - D3 CTF OUT to D1	-	-	-	-	-	(13)	(14)	(12)	(12)	(12)	(0)	(12)	
9300001-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Total Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
DEBT SERVICE FUND													
Revenues													
4132001-D3 Property Taxes-DSF RE Tax	-	5,924	6,127	-	-	16,741	18,434	19,902	19,903	19,903	0	24,708	See Page 7 for further analysis
4132001-D3 Property Taxes-DSF SO Tax	-	589	658	53	-	1,753	1,889	1,822	1,834	2,189	(355)	2,224	9% of RE
4132005-D3 Treasurer Fees-DSF fees	-	(178)	(184)	-	-	(502)	(553)	(597)	(597)	(597)	(0)	(741)	3% RE tax-Collection Fee
4131002-D3 PropTax-DSF RE Backfill	-	-	-	-	-	-			-	-	-	-	
Net DSF Property Taxes	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
42000XX-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
44200XX-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
Total Other Fee Revenue	-	-	-	-	-	-			-	-	-	-	
Total Revenues	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
Expenditures													
Intergovernmental													
9300015-D3 DSF Property Tax OUT to D2	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
93000XX-D3 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
93000XX-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Total Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	0	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	0	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #4-Fund Summary

	District #4												Comments
General Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4141001-D4 Property Taxes-O&M RE Tax	12,048	10,703	10,749	10,803	48,723	49,362	60,401	83,078	79,533	79,533	(0)	83,684	See Page 7 for further analysis
4141002-D4 PropTax-O&M RE Abate	(1,685)	1,685	-	-	-	-	-	(6,263)	6,263	6,263	-	-	
4141003-D4 Property Taxes-O&M SO Tax	1,196	2,178	1,412	1,107	5,115	6,018	6,776	8,221	8,748	8,749	(1)	9,205	11% of RE ('25 incl PersPropReimb \$1,026)
4141005-D4 Treasurer Fees-O&M fees	(311)	(372)	(323)	(324)	(1,462)	(1,481)	(1,812)	(2,412)	(2,604)	(2,386)	(218)	(2,511)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4141007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	2,849	-	-	-	-	2023 Backfill
Total O&M Property Taxes	11,248	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	
4200002-D4 Real Estate Transfer Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4420002-D4 Development Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4600001-D4 Public Improvement Fees (PIF)	-	469	954	905	316	35	16	68	215	15	200	15	PIF 2%
Total Other Fee Revenue	-	469	954	905	316	35	16	68	215	15	200	15	
Total Revenues	11,248	14,663	12,792	12,491	52,692	53,934	65,381	85,541	92,153	92,173	(20)	90,394	
Expenditures													
Intergovernmental													
9300014-D4 O&M Property Tax OUT to D1	(12,636)	(14,194)	(11,838)	(11,586)	(52,376)	(53,899)	(65,365)	(85,473)	(91,939)	(92,158)	220	(90,379)	
9300004-D4 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
9300001-D4 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
9300050-D4 PIF OUT to D1	-	(469)	(954)	(905)	(316)	(35)	(16)	(68)	(215)	(15)	(200)	(15)	
9300015-D4 Intergovt. Non-Cash Adjust w D1	1,388	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Total Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #4												
Debt Service Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4142001-D4-Property Taxes-DSF RE Tax	60,242	53,518	53,749	54,012	60,911	61,703	60,401	69,232	66,277	66,277	(1)	69,737	See Page 7 for further analysis
4142002-D2 PropTax-DSF RE Abatement	(8,426)	8,426	-	-	-	-	-	(5,220)	5,220	5,220	-	-	
4142003-D4-Property Taxes-DSF SO Tax	5,980	5,861	5,810	5,536	6,738	7,523	6,867	6,925	6,818	7,291	(473)	7,671	11% of RE (2025 incl PersPropReimb \$757)
4142005-D4-Treasurer Fees-DSF Fees	240	(1,858)	(1,612)	(1,620)	(1,827)	(1,851)	(1,812)	(1,920)	(2,167)	(2,077)	(90)	(2,077)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4142007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	-	-	-	-	-	2023 Backfill-Not given for DebtSvc
Total DSF Property Taxes	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Total Revenues	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Expenditures													
Intergovernmental													
9300040-D4 DSF Property Tax OUT to D2	(64,978)	(59,005)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
9300041-D4 InterGovt. Non-Cash Adjust w D2	6,942	(6,942)	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Total Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
Assessed Valuation and Property Tax Revenue Analysis

Description	District #1	District #2	District #3	District #4-Comm'l	Total	% Inc(Dec)
2015 Assessed Valuation	\$ -	\$ 445,640	\$ 52,870	\$ 1,204,870	\$ 1,703,380	
2016 Assessed Valuation	\$ -	\$ 4,199,420	\$ 28,640	\$ 1,204,830	\$ 5,432,890	219%
2017 Assessed Valuation	\$ 350	\$ 2,054,270	\$ 118,480	\$ 1,070,360	\$ 3,243,460	-40%
2018 Assessed Valuation	\$ 350	\$ 2,291,280	\$ 119,500	\$ 1,075,170	\$ 3,486,300	7%
2019 Assessed Valuation	\$ 370	\$ 4,944,470	\$ 179,210	\$ 1,080,250	\$ 6,204,300	78%
2020 Assessed Valuation	\$ 118,020	\$ 5,100,690	\$ 359,210	\$ 1,218,030	\$ 6,795,950	10%
2021 Assessed Valuation	\$ 118,020	\$ 4,491,230	\$ 334,820	\$ 1,234,060	\$ 6,178,130	-9%
2022 Assessed Valuation	\$ 118,020	\$ 5,570,810	\$ 368,670	\$ 1,208,020	\$ 7,265,520	18%
2023 Assessed Valuation	\$ 130,660	\$ 8,274,500	\$ 398,050	\$ 1,384,630	\$ 10,187,840	40%
2024 Assessed Valuation	130,660	8,327,920	398,050	1,275,300	10,131,930	-1%
2025 Net Change - Additions/(Reductions)	\$ 29,650	\$ 4,807,060	\$ 96,110	\$ 66,570	\$ 4,999,390	
2025 Assessed Valuation (A) as of Dec 1, 2025	\$ 160,310	\$ 13,134,980	\$ 494,160	\$ 1,341,870	\$ 15,131,320	49%
Proposed O&M Mill Rates	-	20.000	20.000	62.364	<<<<<	
Projected O&M Mill Levy Revenues (2026)	\$ -	\$ 262,700	\$ 9,883	\$ 83,684	\$ 356,267	
Proposed Debt Service Mill Rates (B)	-	35.000	50.000	51.970	<<<<<	
Projected Debt Service Mill Levy Revenues (2026)	\$ -	\$ 459,724	\$ 24,708	\$ 69,737	\$ 554,169	

A. Per the revised Certification of Valuation by La Plata County Assessor date 12.01.25

**RESOLUTION
TO ADOPT 2026 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
TWIN BUTTES METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2026 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE TWIN BUTTES METROPOLITAN DISTRICT NO. 2, LA PLATA COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2026, AND ENDING ON THE LAST DAY OF DECEMBER, 2026.

WHEREAS, the Board of Directors of the Twin Buttes Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 11, 2025, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is **\$262,700**; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is **\$459,724**; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2025 valuation for assessment for the District as certified by the County Assessor of La Plata County is **\$13,134,980**; and

WHEREAS, at an election held on November 5, 2013, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TWIN BUTTES METROPOLITAN DISTRICT NO. 2 OF LA PLATA COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Twin Buttes Metropolitan District No. 2 for calendar year 2026.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2026 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2026 budget year, there is hereby levied a tax of **20.000** mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of

0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2026 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of **35.000** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2026 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2026 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

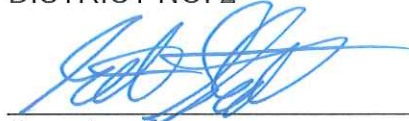
Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2025 to the Board of County Commissioners of La Plata County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of La Plata County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2025 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto,

are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 11th day of December, 2025.

TWIN BUTTES METROPOLITAN
DISTRICT NO. 2



Secretary/Treasurer

ATTEST:



Board Secretary

LETTER OF BUDGET TRANSMITTAL

Date: December 15, 2025

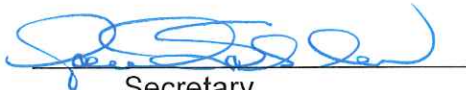
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2026 budget and budget message for TWIN BUTTES METROPOLITAN DISTRICT NO. 2 in La Plata County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 11, 2025. If there are any questions on the budget, please contact:

Paula Schler, Secretary to the Board
692 Twin Buttes Avenue
Durango, CO 81301
Telephone number: (970) 259-5306

I, Paula Schler, Secretary of the Twin Buttes Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2026 budget.

By:


Secretary

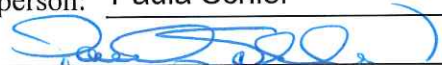
ATTACHED COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of La Plata County, Colorado.On behalf of the Twin Buttes Metropolitan District No. 2,
(taxing entity)^Athe Board of Directors
(governing body)^Bof the Twin Buttes Metropolitan District No. 2
(local government)^CHereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 13,134,980
assessed valuation of:(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of:\$ 13,134,980(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10Submitted: December 15, 2025 for budget/fiscal year 2026.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY²****REVENUE²**

1. General Operating Expenses ^H	<u>20.000</u> mills	\$ <u>262,700</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.000</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>20.000</u> mills	\$ <u>262,700</u>
3. General Obligation Bonds and Interest ^J	<u>35.000</u> mills	\$ <u>459,724</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ <u>0</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>0</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>0</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ <u>0</u>
	<u>0.000</u> mills	\$ <u>0</u>

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]55.000

mills

\$ 722,424Contact person: Paula SchlerPhone: (970) 259-5306Signed: Title: SecretarySurvey Question: Does the taxing entity have voter approval to adjust the general
operating levy to account for changes to assessment rates?☐ Yes ☐ NoInclude one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	Refinancing
	Series:	2025
	Date of Issue:	December 10, 2026
	Coupon Rate:	5.95
	Maturity Date:	December 1, 2055
	Levy:	35.000 mills
	Revenue:	459,724

2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

CONTRACTS^K:

3.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

4.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

To: Board of Directors
From: Steven "Willie" Wilson
CC: File, DWC
Date: 12/5/2025
Re: Revised 2025 and Proposed 2026 Budget Submittal to The Boards ("The Budget Message")

DISTRICTS' SERVICES:

Formed on August 27, 2013 the Districts provide the management, implementation and the coordination of the financing, acquisition, completion and operation of certain public infrastructure and services throughout the development. The improvements are for the collective use and benefit of the property owners and residents of the Districts. District No. 1 operates and maintains all other improvements within the development consistent with both its service plans as well as with an intergovernmental agreement entered into with the City of Durango. In the absence of a master property owners' association District No. 1 performs design review and covenant enforcement for the community.

BASIS OF ACCOUNTING:

The basis of accounting utilized in the preparation of the **2025** and **2026** budgets for the Districts is the modified accrual method. The Districts' **2025** and **2026** Budgets include projected revenues and expenditures for general operating funds, debt service funds and capital projects funds.

IMPORTANT FEATURES OF THE BUDGET:

The budgets do not result in any violation of any applicable property tax or fiscal year spending limitations. Based on prior electoral approval, the property tax revenue IS NOT subject to statutory limitations imposed by Section 29-1-301, C.R.S. or limitations imposed by Article X, Section 20 of the Colorado Constitution. Moreover, there is no cap imposed on the Districts' mill levies in their Service plans as approved by the City. However, under the Districts' bond issue documents, the Districts may but are not required to certify a debt service mill levy greater than 50 mills, adjusted in accordance with the Gallagher Amendment. In this budget certain debt service mill levies are certified at 50 mills as a result of that adjustment. Emergency reserves for all applicable funds have been established at 3% (or greater) trailing year fiscal spending of each applicable fund.

General Note: In 2016 under advice of District Counsel and resulting from certain litigation possibly affecting Colorado Special Districts' authority to issue debt for capital improvements, bond financing activity was assumed by District #2 where the elected directors are selected from the ownership base of the District.

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

District #1-Background Summary

Please note **2024** actual results reflected a deeper deficit than the **2025** adopted budget. This additional deficit was effectively covered by an additional developer advance. Accordingly, the **2025** activity will need to reimburse these accumulated advances. However, the current year (**2025**) projected surplus, which is primarily attributable to the active real estate activity primarily associated with the completion and related sales within Filing 4. The surplus, if it materializes will primarily be in the **4th quarter** of the year and it is projected that all developer advances will be paid to the developer and fund reserves will grow to approximately **\$28K**.

District #1-General Fund

Revised Fund Activity of **\$13.5K**, which is “net” after repaying short term advances back to the Developer (TBDI) raise reserves from **\$14K** to **27.5K**. Departure from original budget is primarily attributable to a slight drop off in targeted filing **#4** sales activity and Beat Street Farm competition eating into the Farm’s market share. Further discussion on the Farm is below.

The proposed **2026** budget reflects a significant improvement in fund reserves. Projected net fund activity of approximately **\$158K** from, **\$27.5K** to **\$186K**. The improvement over prior year(s) is primarily attributable to,

- Improvement in property taxes via it being a “reassessment” year.
- Retail Farm revenue growth
- Keeping operating costs flat

I will be discussing further at our upcoming meeting on **December 11th** 1.) adequate reserves 2.) Repair and Replacement Reserve Funding 3.) Community improvements and 4.) developing a prioritization policy.

Farm Activity

Under the new Manager, Ben Goodrich, he 1). brought the Farm back into an aesthetically pleasing and fully functional operation and 2). is providing an abundance of produce on a reliable basis. As the District manager, I work closely with Ben and have observed the revitalized operations and I feel very comfortable that Ben and the Farm are performing optimally and any potential negative outcomes are from variables that are outside his control. That being said new competition from “Beat Street Farm” is impacting wholesale revenues however our long-term strategy is to move away from wholesale as focus on our community grows.

The take away is that Ben has accomplished the two primary goals that are a prerequisite to a successful farm operation These two fundamental attributes will influence shopping habits driving more residents and outside community members to the Farm Stand on a on an increasingly consistent basis.

District #2 General Fund- District **#2** represents the residential sector for phase 1 of the development. It also holds the largest portion of the tax base (**86%**). Projected **2025** Fund revenues of **\$315K** will be below budget (**\$352K**) by approximately **\$37K** as development fees from original lots sales (from Filing 4) will not meet the targeted level. However real estate transfer fees will reach an all-time high at **\$110K**. Budgeted **2026** revenues of **\$419K** represents a **26%** increase over

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

revised **2025**. This increase is fueled by a growing tax base and real estate activity comparable to revised **2025**.

District 2 Debt Service Fund:

Pursuant to the Board action taken on November 7th, The District was successful in refinancing the entirety of its existing debt under the parameters set forth at that meeting. Accordingly, the Districts' debt service mill levy will **drop 15 mills** from **50 to 35** mills for the upcoming year...yea....Now that the new debt service on the new bonds is effectively level property owners should see future reductions in the DS mill levy.

District #3: Revised 2025 and Proposed 2026 District #3 represents the residential sector for phase 2 of the development. The reassessment year has also driven up property values this district as well. Accordingly, in **2026** O&M tax revenues will grow from **\$8.4K** to **\$10.4K** and Debt Service from **\$21K** to **\$26K**. The **2026** Budget reflects levying **20** mills for O&M purposes and **50** mills for debt service. Please see page 7 for further review and consideration.

District #4: Revised 2025 and Proposed 2026 District #4 represents the commercial sector for the entire development. Through the recent inclusion process by this District to annex the commercial corridor running West from the Speedway gas station property to the Animas High school ("AHS") location the District has been supplemented with potential significant additional tax base which will both drive O&M and Debt Service property taxes as well as public improvement fees (sales tax equivalents). Please see both pages 6 and 7 for additional review and consideration. The growth in the tax base has been curtailed somewhat by the continued utilization of property for public, tax exempt functions and in turn depriving District **#4** of significant O&M and debt service property tax revenues. This shortfall has been recently recouped by raising the O&M mill levy rate on the Speedway gas station, which is owned by an international conglomerate. The owner of the property has not expressed any concern. However, the forecasted **2025** tax base is to increase approximately 5% to **\$1.342M** from **\$1.275M** in **2024**. which will produce approximately **\$90K** for O&M and **\$76K** for Debt service. Please see page 7 for further review and consideration.

Please Contact Steven Wilson (willie@twinbuttesofdurango.com) or 970.729.3405 if you would like more information regarding this budget.

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
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2	District #1-Administrative Costs Summary
3	District #1-Farming Operations Summary
4	District #2-Fund Summary
5	District #3-Fund Summary
6	District #4-Fund Summary
7	Districts 1-4-Assessed Valuation and Property Tax Analysis (Mill Levies)

SUMMARY District #1													COMMENTS
General Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4060000-Farm Revenues	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	Growing Retail Base, additional Farm stands
4070003-Alpine Bank PDPA Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing Idle cash base
4070005-Sale of Asset-Proceeds	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070010-Misc Income-billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Shoveling Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	Continue with this service
Total Operating Revenue	114,413	113,991	90,940	79,642	93,107	87,763	63,689	52,838	63,905	62,400	1,505	62,900	
4900002-Development Fees IN-from D2 DSF	39,090	60,421	48,275	75,000	96,067	36,290	24,180	24,654	12,274	75,000	(62,726)	-	
4900003-Development Fees IN-from D2 O&M 2025	-	-					-	-	30,000	-	30,000	39,000	Primarily Filing 4 Activity
4900004-Real Estate Trans. Fees (RETF)-IN from D2 O&M	37,644	15,653	23,536	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380	Primarily Filing 4 Activity
4900012-O&M Property Tax IN-from D2 O&M	89,938	44,689	49,291	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462	(20 mills)-See Prop Tax Sum Pg 7
4900022-O&M Property Tax IN-from D3 O&M	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	(20 mills)-See Prop Tax Sum Pg 7
4900032-O&M Property Tax IN-from D4 O&M	12,636	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	(62.364 mills)-See Prop Tax Sum Pg 7
4900050-PIF Revenues IN-from D4 O&M	-	469	954	905	316	35	16	68	215	15	200	15	
4900055-CTF Receipts IN-from D2 O&M	-	-	-	-	-	64	134	147	767	62	705	800	
4900055-CTF Receipts IN-from D3 O&M		-	-	-	-	13	14	12	12	12	0	12	
4900033-InterGovt NonCash Adj_ with D4	(1,388)	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Revenue	178,533	137,966	136,470	236,085	321,763	248,921	297,274	327,564	427,406	453,108	(25,703)	520,524	
Total Revenues	292,946	251,957	227,410	315,727	414,870	336,684	360,963	380,402	491,310	515,508	(24,198)	583,424	
Expenditures													
5100000-Mgmt & Admin.	(158,981)	(186,856)	(176,758)	(196,770)	(217,760)	(252,976)	(262,009)	(284,299)	(291,022)	(280,822)	(10,200)	(295,178)	Anticipated inflationary adjustments
5301000-Farm Operations	(164,048)	(156,304)	(134,966)	(105,426)	(95,169)	(102,297)	(99,457)	(94,448)	(96,751)	(95,329)	(1,422)	(87,596)	Improving productivity via 2025 cleanup/org
5701000 Community Prop. & Grounds Maint.	-	(14,942)	(23,882)	(12,867)	(27,651)	(53,787)	(39,835)	(23,956)	(36,827)	(27,500)	(9,327)	(27,780)	Expanding outsourced property maintenance
5900012-Contingency	-	-	-	-	-	-	-	-	(5,000)	(15,000)	10,000	(15,000)	
Capital & Other	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	See discussion in Budget Message
Total Expenditures	(323,879)	(358,102)	(338,069)	(315,063)	(343,758)	(416,792)	(401,300)	(402,704)	(429,600)	(418,651)	(10,949)	(425,554)	
NET ACTIVITY before Other Source/(Uses)	(30,933)	(106,145)	(110,659)	664	71,112	(80,108)	(40,337)	(22,302)	61,710	96,857	(35,147)	157,870	
Other Sources/(Uses)													
4800003-Developer Advances	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	Settle TBD 2023 & 2024 subsidy
InterEntity Settlement with D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Sources and Uses	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	
Net Fund Activity	147,073	(81,022)	(40,981)	22,843	71,112	(80,108)	(14,377)	0	13,448	79,925	(66,477)	157,870	
Fund Balance-Beginning of Period	(10,440)	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	14,100	-	27,548	
Fund Balance-Ending of Period	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	27,548	94,025	(66,477)	185,418	
Restricted-Emergency (TABOR)	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	-	14,100	TABOR Rsrv 3% of HighToDate fund exp
Unrestricted	122,533	41,511	530	23,373	94,485	14,378	-	-	13,448	79,925	(66,477)	171,318	
Total Fund Balance	136,633	55,611	14,630	37,473	108,585	28,478	14,100	14,100	27,548	94,025	(66,477)	185,418	

Revised 2025 and Proposed 2026 Budget

District #1-Adiministrative Cost Summary

ADMINISTRATIVE													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4070000-Sale of Assets	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070003-Alpine Bank Oper Acct Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing idle cash base
4070010-Misc Income & billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Removal Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	2023/24-58 sites, 2024/25-60 sites
Subtotal Revenue	11,250	15,750	12,750	21,000	35,250	22,606	27,323	22,688	35,610	23,400	12,210	22,900	
5100102 -Contract-Dist Mgr/Fin. Dir./PRtax.	35,000	36,553	36,540	35,151	45,760	57,555	65,601	68,177	67,000	67,000	0	69,010	3% increase
5100109 -Workers Comp	25		44						-	-	-	-	
5100111 -Payroll Processing	2,686	2,915	2,994	2,795	2,740	3,679	3,455	3,595	3,514	3,600	86	3,625	
5100201 -Contract Svc -Administration	7,888	8,858	11,933	12,217	17,378	28,399	40,951	49,370	60,391	46,203	(14,188)	62,202	Paula involved in amassing activities
5100203 -Contract Svc Accounting	25,388	34,813	29,390	30,761	42,849	43,774	36,454	36,583	39,312	39,600	288	42,000	
5100204 -Contract-Staff Accounting	-	-	-	-	-	-	-	5,154	4,499	4,893	395	4,769	2026=2025x1.06
5100205 -Design Review-Professional Svc	1,400	-	-	-	-	-	-	-	-	-	-	-	
5100206 -DRC-Contract Svc Admin	17,048	21,149	33,462	43,321	38,775	32,120	37,738	39,650	25,895	35,026	9,131	26,672	Offsetting variances w Admin
5100207 -DRC-Admin Costs	-	59	795	2,367	1,302	584	480	509	593	500	(93)	500	\$10/mo zoom
5100301 -Auto Expense-Mileage Reimburse	-	-	-	-	-	-	-	-	-	-	-	-	
5100303 -Bank Charges	99	-	-	-	-	-	-	-	-	-	-	-	
5100306 -DRC & Board Meetings	25	-	-	-	1,254	900	708	-	1,000	1,200	200	1,200	Allowance for DRC gift baskets
5100307 -Insurance-Commercial Policy	9,357	10,375	10,346	9,511	9,523	11,454	11,575	11,690	12,119	12,000	(119)	12,500	
5100375 -Stormwater Regulation	-	-	-	-	66	-	-	-	-	-	-	-	
5100399 -Bad Debt Expense	512	-	78	-	1	-	-	-	-	-	-	-	
5100400 -Legal Fees	28,345	15,910	18,738	22,063	17,774	31,815	19,202	22,232	17,701	15,000	(2,701)	17,000	level w 2025 actual
5100480 -Audit Fees	26,784	51,757	27,929	34,072	34,589	36,452	38,720	40,750	41,384	42,000	616	42,000	Engagement Letter soon
5100490 -MIS Support/Website Maint	-	-	-	-	897	1,691	2,232	1,782	6,164	2,000	(4,164)	2,000	2025Tablet/Ionos/Pickle/ADAweb&docs
5100501 -Postage & Freight	98	50	-	63	42	123	81	20	93	100	7	100	
5100503 -SDA Membership & Publications	1,217	1,266	1,256	1,401	1,689	1,413	1,650	1,439	1,347	1,500	153	1,500	SDA/ColoSOS/DroBusLic/CObusLic
5100505 -Office Lease	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	9,980	10,000	20	10,000	Developer lease-Incl. utilities
5100521 -Office Supplies	-	131	253	-	121	15	160	211	13	-	(13)	-	Included in lease
5100550 -Misc & Other	109	20	-	48	-	-	-	137	19	200	181	100	
Total Management, Accounting & Admin	158,981	186,856	176,758	196,770	217,760	252,976	262,009	284,299	291,022	280,822	(10,200)	295,178	
5701000 Community Property & Grounds Maint.													
5701002 · Prop Maint-Labor Alloc	-	-	-	-	12,008	36,172	10,015	728	1,568	1,500	(68)	2,700	Primarily TBDI Allocated Labor
5701006 · Prop Maint-Work Comp Ins	-	-	-	-	-	-	1,151	-	-	-	-	60	
5701006 · Prop Maint-Subcontract	-	14,942	23,882	12,873	11,875	10,561	24,353	20,160	31,713	23,000	(8,713)	21,020	Snow, Ldsp, grass, Portapotty
5701008 · Prop Maint-Materials	-	-	-	-	3,768	7,054	4,316	2,358	2,643	3,000	357	3,000	
5701020 · Prop Maint-Utilities	-	-	-	-	-	-	-	710	902	-	(902)	1,000	Water usage-WildChives/RowePk
5701000 Community Property & Grounds Maint.	-	14,942	23,882	12,873	27,651	53,787	39,835	23,956	36,827	27,500	(9,327)	27,780	

FARM OPERATIONS													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4060000 Farm Sales													
4060002 CSA Produce Share	18,900	-	-	-	-	-			200	-	200	-	
4060004 Wholesale Egg Sales	886	1,908	1,319	759	219	615	282	714	330	-	330	-	
4060006 Wholesale Sales	80,744	84,753	63,557	43,395	40,503	45,645	26,636	16,625	8,962	20,000	(11,038)	15,000	
4060012 Farm Stand Sales (net of discount)	2,633	11,580	13,314	14,488	17,135	18,898	9,448	12,811	19,002	19,000	2	25,000	
Total 4060000 Farm Sales	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	
5301000 Operating Expenses													
5301004 - Wages Farm Staff	116,604	106,934	92,614	72,246	62,832	76,010	70,000	62,080	70,910	63,000	(7,910)	60,000	Supporting Schedule
5301008 - Payroll Taxes	9,270	8,501	7,363	5,744	5,167	6,001	5,382	4,873	5,591	5,088	(503)	4,800	8% of Wages
5301005 - Wages Temp Labor	345	148	1,061	474	-	-	-	413	-	600	600	-	
5301009 Workers Comp	4,041	4,146	3,632	2,043	1,628	1,653	1,917	920	986	1,800	814	1,600	(\$1,400 + \$200 audit)
5301010 Licensing/Certs/Dues	100	50	204	50	26	-	16	-	96	66	(30)	96	DRO/CODOR/Egg licenses
5301011 Auto/Mileage Reimbursement	485	535	-	-	180	575	668	861	750	250	(500)	800	
5301012 Publications	-	-	-	-	-	-	-	-	-	-	-	-	
5301013 Apiary Production Costs	823	-	725	132	950	536	389	435	-	500	500	500	
5301014 Egg Production Costs	2,080	3,213	1,766	1,782	1,355	2,774	1,346	1,642	1,072	2,200	1,128	1,000	Primarily Chx Feed
5301016 - Goods for Resale	-	-	1,482	2,977	3,067	62		4,621	2,835	4,200	1,365	3,000	Palis.Peaches/OlathCorn
5301025 Advertising and Promotion	-	640	27	48	-	-	690	-	-	-	-	-	
5301030 Topsoil & amendments	1,119	734	-		886	422	2,396	480	782	500	(282)	500	\$200 CC, 800 for Fert
5301031 Soil Testing	395	495	-	211	-	-			-	-	-	-	Under Research
5301032 Seeds & Starts	3,981	3,562	3,387	3,475	2,304	2,390	2,854	2,987	2,224	3,100	876	3,100	\$2800 Seeds, \$500 PS
5301033 Fertilization	1,996	2,556	3,835	1,831	918	1,061	2,171	1,330	1,157	1,330	173	1,330	Fish/blood meal
5301034 General Supplies, Consumable	1,189	8,992	2,235	1,719	4,496	1,018	707	4,220	3,807	2,500	(1,307)	2,500	
5301040 Packaging													
5301042 Egg Packaging	-	-		-	-	-	-	-	-	400	400	400	
5301044 Wholesale Packaging	759	1,178	261	1,396	640	969	1,080	1,745	-	700	700	700	
5301050 Tools and Equipment													
5301051 Tool Purchase	-	-	-	-	-	-	-	-	692	100	(592)	800	
5301052 Equipment Repair & Maintenance	5,047	3,451	3,466	1,038	2,193	1,522	1,989	1,024	619	750	131	750	
5301054 Equipment Rental	-	-	-	-	-	-	-	-	100	-	(100)	-	
5301060 Utilities													
5301062 Propane						1,072	2,106	2,113	1,383	2,200	817	1,700	
5301064 Electricity	4,864	4,212	5,091	3,191	4,535	1,449	1,558	1,559	1,111	1,600	489	1,300	Harvest station power
5301066 Water						581	606	819	1,083	800	(283)	1,000	
5301069 Sanitation-portapotties						402	784	670	959	825	(134)	-	6 months/yr
5301070 Farm Truck F150													
5301072 Truck Fuel	6,274	2,699	3,666	2,973	3,597	862	723	689	253	800	547	400	
5301074 Truck Repair & Maintenance						2,204	1,882	161	76	1,500	1,424	800	
5301076 Truck Insurance/Registration									-	-	-	-	
5301090 Travel and Meals	1,186	878	268	226	-	377	72	365	145	200	55	200	
5301095 Misc & Other			13		274	238		321	-	200	200	200	
5301505 Land Leases	3,490	3,380	3,870	3,870	120	120	120	120	120	120	-	120	McIntyre East plot
Total Farm Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Total Event Development										-		-	
Total Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Operating Surplus/(Deficit)	(60,885)	(58,063)	(56,776)	(46,784)	(37,312)	(37,139)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	
6000000 Capital Purchases/Expenditures													
6000012 Vehicles and Accessories	-	-		-	17,250	(1,000)	-	-	-	-	-	-	
6000014 Trailer/Snow Blower	-	-		-		(950)	-	-	-	-	-	-	
6000016 Maintenance and Storage Barn	(850)	-		-	(1,803)	(1,593)	-	-	-	-	-	-	
6000026 Tractor & Implements	-	-	(2,463)	-		(3,500)	-	-	-	-	-	-	
6000030 Website Development	-	-		-	(9,600)		-	-	-	-	-	-	
6000036 Infrastructure Cost Audit	-	-		-	(9,026)	(690)	-	-	-	-	-	-	
Total 6000000 Capital Purchases	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	
Net Surplus/(Deficit) (or Funding Requirement)	(61,735)	(58,063)	(59,239)	(46,784)	(40,490)	(44,872)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	

Twin Buttes Metropolitan Districts No. 1-4 Revised 2025 and Proposed 2026 Budget District #2-Fund Summary												
District #2												
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed
GENERAL FUND												
Revenue												
4121001-D2 Property Taxes-O&M RE Tax	83,988	41,085	45,826	98,889	102,014	89,825	111,416	165,490	166,558	166,558	0	262,700
4121003-D2 Property Taxes-O&M SO Tax	8,409	4,836	4,841	9,645	11,396	11,400	11,424	14,844	15,394	18,321	(2,927)	23,643
4121005-D2 Treasurer Fees-O&M fees	(2,520)	(1,233)	(1,375)	(2,862)	(3,060)	(2,800)	(3,342)	(5,158)	(4,997)	(4,997)	(0)	(7,881)
4121002-D2 PropTax-O&M RE Abate/Backfill	-	-	-	(3,500)	-	3,500	-	6,449	-	-	-	-
Total O&M Property Taxes	89,877	44,688	49,292	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462
4200002-D2 Real Estate Transfer Fees (RETF)	28,548	15,654	23,535	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380
4402002-D2 Development Fees	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	39,000	75,000	(36,000)	39,000
4402000-D2 Conserv. Trust Funds (CTF)	-	-	-	-	-	64	134	147	767	62	705	800
Total O&M Other Fee Revenue	76,548	66,654	77,535	138,590	123,913	85,512	107,294	50,737	146,559	172,442	(25,883)	141,180
Total Revenue	166,425	111,342	126,827	240,762	234,262	187,438	226,791	232,362	323,514	352,325	(28,811)	419,642
Expenditures												
Intergovernmental												
9300011-D2 O&M Prop.Tax OUT to D1	(89,938)	(44,689)	(49,291)	(102,172)	(110,349)	(101,925)	(119,497)	(181,625)	(176,956)	(179,883)	2,927	(278,462)
9300003-D2 RETF OUT to D1	(37,644)	(15,653)	(23,536)	(42,590)	(54,913)	(49,449)	(80,160)	(26,590)	(106,792)	(97,380)	(9,412)	(101,380)
9300002-D2 Dev Fees OUT to D1-2025 & 2026	-	-	-	-	-	-	-	-	(30,000)	-	(30,000)	(39,000)
9300025-D2 CTF OUT to D1	-	-	-	-	-	(64)	(134)	(147)	(767)	(62)	(705)	(800)
9290003-D2 Cap Outlay-Dev Offset-2018	-	-	-	-	-	-	-	-	-	-	-	-
Total Intergovernmental Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)
Total Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)
Net Fund Activity-BEFORE Other Sources/(Uses)												
	38,843	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-
OtherFinancing Sources/(Uses)												
4800003-Operating Subsidy from TBD Inc.	-	125,372	-	-	-	-	-	-	-	-	-	-
9250012-Bond-2018B Bond COI Costs	-	(125,372)	-	-	-	-	-	-	-	-	-	-
9320101-Dev Fees OUT Fr D2 O&M- To D2 DSF	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-
Net Other Sources/(Uses)	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-
Net Fund Activity-AFTER Other Sources/(Uses)												
	(9,157)	-	-	(0)	-	-	-	-	-	-	-	-
Fund Balance-Beginning of Period												
	9,157	-	-	-	-	-	-	-	-	-	-	-
Fund Balance-Ending of Period												
	-	-	-	(0)	-	-	-	-	-	-	-	-
Restricted-Emergency (TABOR)	4,900	4,900	4,900	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Unrestricted	(4,900)	(4,900)	(4,900)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)
Total Fund Balance	-	-	-	(0)	-	-	-	-	-	-	-	-

See Page 7 for further analysis
9% of RE
3% RE tax-Collection Fee

2026 Filing 4 & Secondary Sales
2026 Primarily Filing 4 Activity

TABOR Rsrv 3% HighToDate exp

Twin Buttes Metropolitan Districts No. 1-4 Revised 2022 and Proposed 2023 Budget District #2-Fund Summary												
District #2												
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed
DEBT SERVICE FUND												
Revenues												
4122001-D2 Property Taxes-DSF RE Tax	83,988	102,713	115,749	247,223	255,034	224,561	278,541	413,725	416,396	416,396	0	459,724
4122002-D2 PropTax-DSF RE Abate	-	-	-	(8,751)	-	8,747	-	-	-	-	-	-
4122003-D2 Property Taxes-DSF SO Tax	8,515	10,967	12,200	24,273	28,341	25,293	28,333	37,110	38,110	45,804	(7,694)	41,375
4122005-Treasurer Fees-DSF Fees	(2,520)	(3,081)	(3,472)	(7,154)	(7,651)	(6,999)	(8,356)	(12,412)	(12,492)	(12,492)	(0)	(13,792)
4122002-D2 PropTax-DSF RE Backfill	-	-	-	-	-	-	-	-	-	-	-	-
Total DSF Property Taxes	89,983	110,599	124,477	255,591	275,724	251,603	298,517	438,423	442,014	449,708	(7,694)	487,308
4901030-DSF Property Tax IN-from D3DSF	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190
4901040-DSF Property Tax IN-from D4DSF	64,978	59,005	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331
Total Intergovernmental Revenue	64,978	65,340	64,548	57,981	65,822	85,366	85,225	90,144	97,287	98,206	(918)	101,522
4700000-Interest on Restricted Funds	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300
Total Restricted Revenue	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300
Total Revenue	157,611	181,572	196,937	314,925	341,583	342,961	405,300	557,697	561,125	572,713	(11,589)	609,129
Expenditures												
Intergovernmental												
9300001-D2 Dev. Fees OUT TO D1	(39,090)	(60,421)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-
4901041-D2 InterGovt NonCashAdj_with D4-DSF	(6,942)	6,942	-	-	-	-	-	-	-	-	-	-
Total Intergovernmental Expenditures	(46,032)	(53,479)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-
Debt Service												
2710202 · Princ Reduction-2016A Bonds	-	-	(35,000)	(50,000)	(60,000)	(65,000)	(65,000)	(70,000)	(3,870,000)	(75,000)	(3,795,000)	-
9251000 · Interest Exp-2016A Bonds	(258,169)	(258,169)	(258,169)	(256,025)	(252,963)	(249,288)	(245,306)	(241,325)	(244,992)	(237,038)	(7,954)	-
2710401 · Princ Reduction-2018B Bonds	-	-	-	-	-	-	-	(10,000)	(4,490,000)	(70,000)	(4,420,000)	-
9252000 - Interest Exp-2018B Bonds-Paid	-	-	-	-	-	-	(119,918)	(228,161)	(250,000)	(188,000)	(62,000)	-
2710501 - Principal Activity-2025 Bonds	-	-	-	-	-	-	-	-	9,930,600	-	-	-
9253000 - Interest Exp-2025 Bonds-Paid	-	-	-	-	-	-	-	-	-	-	-	-
9255000 - Filing 3 Escrow	-	-	-	-	-	-	-	-	-	-	-	-
Increase in Escrow for 2025 Bonds	-	-	-	-	-	-	-	-	-	-	-	-
9810000-Trustee Fees/COI	(3,500)	(3,500)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(308,500)	(7,000)	(301,500)	(4,000)
Total Debt Service Expenditures	(261,669)	(261,669)	(300,169)	(313,025)	(319,963)	(321,288)	(437,224)	(556,486)	767,108	(577,038)	(8,586,454)	(584,125)
Total Expenditures	(307,701)	(315,148)	(348,444)	(388,025)	(416,030)	(357,578)	(461,404)	(581,140)	754,834	(652,038)	(8,523,728)	(584,125)
Net Fund Activity-BEFORE Other Sources/(Uses)												
	(150,090)	(133,576)	(151,507)	(73,100)	(74,447)	(14,616)	(56,104)	(23,443)	1,315,959	(79,324)	(8,535,317)	25,004
Other Sources/(Uses)												
480003 - Operating Subsidy from TBD Inc.	3,500	29,698	108,000	-	-	(3,500)	-	-	-	-	-	-
Settlement with TBDI (2016A Bond COI)	-	-	-	-	-	-	-	-	-	-	-	-
4902102-Dev Fees IN-Fr D2O&M To D2DSF	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-
Change in A/P and A/R	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Sources/(Uses)	51,500	80,698	162,000	96,000	69,000	32,500	27,000	24,000	9,000	75,000	(66,000)	-
Net Fund Activity-AFTER Other Sources/(Uses)												
	(98,590)	(52,878)	10,493	22,900	(5,447)	17,884	(29,104)	557	1,324,959	(4,324)	(8,601,317)	25,004
Fund Balance-Beginning of Period												
	463,000	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	323,800	5,014	1,653,774
Fund Balance-Ending of Period												
	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	1,653,774	319,476	(8,596,302)	1,678,778

See Page 7 for further analysis
- 2022 Abate Recapt/2024 Backfill
9% of RE
3% RE tax-Collection Fee
- 2023 Backfill-Not given for DebtSvc

Int on Avg bal \$451k@ 4.5%

Xfr>D1=DecPY Plus Jan-NovCY

6th princ pmt-due 12/1_A Bonds only
- Interest paid_A Bonds
- 1st princ pmt in 12.24
- Interest paid_B Bonds
- 2026 Principal 2025 Bond
2026 Interest 2025 Bond

2025 Bond \$6k-2025/ \$4k 2026

Twin Buttes of Durango Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #3-Fund Summary

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
GENERAL FUND													
Revenues													
4131001-D3 Property Taxes-O&M RE Tax	573	2,370	2,390	3,584	7,184	6,696	7,373	7,961	7,961	7,961	(0)	9,883	See Page 7 for further analysis
4131003-D3 Property Taxes-O&M SO Tax	57	241	258	356	772	751	756	729	730	876	(146)	889	9% of RE
4131005-D3 Treasurer Fees-O&M fees	(17)	(71)	(72)	(108)	(216)	(201)	(221)	(256)	(239)	(239)	0	(296)	3% RE tax-Collection Fee
4131002-D3 PropTax-O&M RE Backfill	-	-	-	-	-	-	-	561	-	-	-	-	
Net O&M Property Taxes	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	
4200002-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
4420002-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
4403000-D3 Conserv. Trust Funds (CTF)	-	-	-	-	-	13	14	12	12	12	0	12	
Total Other Fee Revenue	-	-	-	-	-	13	14	12	12	12	0	12	
Total Revenues	613	2,540	2,576	3,832	7,741	7,260	7,922	9,007	8,464	8,610	(146)	10,488	
Expenditures													
Intergovernmental													
9300013-D3 O&M Property Tax OUT to D1	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,247)	(7,908)	(8,995)	(8,452)	(8,598)	146	(10,476)	
9300025 - D3 CTF OUT to D1	-	-	-	-	-	(13)	(14)	(12)	(12)	(12)	(0)	(12)	
9300001-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Total Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
DEBT SERVICE FUND													
Revenues													
4132001-D3 Property Taxes-DSF RE Tax	-	5,924	6,127	-	-	16,741	18,434	19,902	19,903	19,903	0	24,708	See Page 7 for further analysis
4132001-D3 Property Taxes-DSF SO Tax	-	589	658	53	-	1,753	1,889	1,822	1,834	2,189	(355)	2,224	9% of RE
4132005-D3 Treasurer Fees-DSF fees	-	(178)	(184)	-	-	(502)	(553)	(597)	(597)	(597)	(0)	(741)	3% RE tax-Collection Fee
4131002-D3 PropTax-DSF RE Backfill	-	-	-	-	-	-			-	-	-	-	
Net DSF Property Taxes	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
42000XX-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
44200XX-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
Total Other Fee Revenue	-	-	-	-	-	-			-	-	-	-	
Total Revenues	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
Expenditures													
Intergovernmental													
9300015-D3 DSF Property Tax OUT to D2	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
93000XX-D3 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
93000XX-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Total Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	0	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	0	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #4-Fund Summary

	District #4												Comments
General Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4141001-D4 Property Taxes-O&M RE Tax	12,048	10,703	10,749	10,803	48,723	49,362	60,401	83,078	79,533	79,533	(0)	83,684	See Page 7 for further analysis
4141002-D4 PropTax-O&M RE Abate	(1,685)	1,685	-	-	-	-	-	(6,263)	6,263	6,263	-	-	
4141003-D4 Property Taxes-O&M SO Tax	1,196	2,178	1,412	1,107	5,115	6,018	6,776	8,221	8,748	8,749	(1)	9,205	11% of RE ('25 incl PersPropReimb \$1,026)
4141005-D4 Treasurer Fees-O&M fees	(311)	(372)	(323)	(324)	(1,462)	(1,481)	(1,812)	(2,412)	(2,604)	(2,386)	(218)	(2,511)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4141007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	2,849	-	-	-	-	2023 Backfill
Total O&M Property Taxes	11,248	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	
4200002-D4 Real Estate Transfer Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4420002-D4 Development Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4600001-D4 Public Improvement Fees (PIF)	-	469	954	905	316	35	16	68	215	15	200	15	PIF 2%
Total Other Fee Revenue	-	469	954	905	316	35	16	68	215	15	200	15	
Total Revenues	11,248	14,663	12,792	12,491	52,692	53,934	65,381	85,541	92,153	92,173	(20)	90,394	
Expenditures													
Intergovernmental													
9300014-D4 O&M Property Tax OUT to D1	(12,636)	(14,194)	(11,838)	(11,586)	(52,376)	(53,899)	(65,365)	(85,473)	(91,939)	(92,158)	220	(90,379)	
9300004-D4 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
9300001-D4 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
9300050-D4 PIF OUT to D1	-	(469)	(954)	(905)	(316)	(35)	(16)	(68)	(215)	(15)	(200)	(15)	
9300015-D4 Intergovt. Non-Cash Adjust w D1	1,388	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Total Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #4												
Debt Service Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4142001-D4-Property Taxes-DSF RE Tax	60,242	53,518	53,749	54,012	60,911	61,703	60,401	69,232	66,277	66,277	(1)	69,737	See Page 7 for further analysis
4142002-D2 PropTax-DSF RE Abatement	(8,426)	8,426	-	-	-	-	-	(5,220)	5,220	5,220	-	-	
4142003-D4-Property Taxes-DSF SO Tax	5,980	5,861	5,810	5,536	6,738	7,523	6,867	6,925	6,818	7,291	(473)	7,671	11% of RE (2025 incl PersPropReimb \$757)
4142005-D4-Treasurer Fees-DSF Fees	240	(1,858)	(1,612)	(1,620)	(1,827)	(1,851)	(1,812)	(1,920)	(2,167)	(2,077)	(90)	(2,077)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4142007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	-	-	-	-	-	2023 Backfill-Not given for DebtSvc
Total DSF Property Taxes	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Total Revenues	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Expenditures													
Intergovernmental													
9300040-D4 DSF Property Tax OUT to D2	(64,978)	(59,005)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
9300041-D4 InterGovt. Non-Cash Adjust w D2	6,942	(6,942)	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Total Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
Assessed Valuation and Property Tax Revenue Analysis

Description	District #1	District #2	District #3	District #4-Comm'l	Total	% Inc(Dec)
2015 Assessed Valuation	\$ -	\$ 445,640	\$ 52,870	\$ 1,204,870	\$ 1,703,380	
2016 Assessed Valuation	\$ -	\$ 4,199,420	\$ 28,640	\$ 1,204,830	\$ 5,432,890	219%
2017 Assessed Valuation	\$ 350	\$ 2,054,270	\$ 118,480	\$ 1,070,360	\$ 3,243,460	-40%
2018 Assessed Valuation	\$ 350	\$ 2,291,280	\$ 119,500	\$ 1,075,170	\$ 3,486,300	7%
2019 Assessed Valuation	\$ 370	\$ 4,944,470	\$ 179,210	\$ 1,080,250	\$ 6,204,300	78%
2020 Assessed Valuation	\$ 118,020	\$ 5,100,690	\$ 359,210	\$ 1,218,030	\$ 6,795,950	10%
2021 Assessed Valuation	\$ 118,020	\$ 4,491,230	\$ 334,820	\$ 1,234,060	\$ 6,178,130	-9%
2022 Assessed Valuation	\$ 118,020	\$ 5,570,810	\$ 368,670	\$ 1,208,020	\$ 7,265,520	18%
2023 Assessed Valuation	\$ 130,660	\$ 8,274,500	\$ 398,050	\$ 1,384,630	\$ 10,187,840	40%
2024 Assessed Valuation	130,660	8,327,920	398,050	1,275,300	10,131,930	-1%
2025 Net Change - Additions/(Reductions)	\$ 29,650	\$ 4,807,060	\$ 96,110	\$ 66,570	\$ 4,999,390	
2025 Assessed Valuation (A) as of Dec 1, 2025	\$ 160,310	\$ 13,134,980	\$ 494,160	\$ 1,341,870	\$ 15,131,320	49%
Proposed O&M Mill Rates	-	20.000	20.000	62.364	<<<<<	
Projected O&M Mill Levy Revenues (2026)	\$ -	\$ 262,700	\$ 9,883	\$ 83,684	\$ 356,267	
Proposed Debt Service Mill Rates (B)	-	35.000	50.000	51.970	<<<<<	
Projected Debt Service Mill Levy Revenues (2026)	\$ -	\$ 459,724	\$ 24,708	\$ 69,737	\$ 554,169	

A. Per the revised Certification of Valuation by La Plata County Assessor date 12.01.25

**RESOLUTION
TO ADOPT 2026 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
TWIN BUTTES METROPOLITAN DISTRICT NO. 3**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2026 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE TWIN BUTTES METROPOLITAN DISTRICT NO. 3, LA PLATA COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2026, AND ENDING ON THE LAST DAY OF DECEMBER, 2026.

WHEREAS, the Board of Directors of the Twin Buttes Metropolitan District No. 3 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 11, 2025 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is **\$9,883**; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is **\$24,708**; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is **\$0**; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is **\$0**; and

WHEREAS, the 2025 valuation for assessment for the District as certified by the County Assessor of La Plata County is **\$494,160**; and

WHEREAS, at an election held on November 5, 2013, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TWIN BUTTES METROPOLITAN DISTRICT NO. 3 OF LA PLATA COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Twin Buttes Metropolitan District No. 3 for calendar year 2026.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2026 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2026 budget year, there is hereby levied a tax of **20.000** mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of

0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2026 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of **50.000** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2026 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2025.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2026 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of **0.000** mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2025.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2025 to the Board of County Commissioners of La Plata County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of La Plata County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2025 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto,

are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 11th day of December 2025.

TWIN BUTTES METROPOLITAN
DISTRICT NO. 3



President

ATTEST:



Secretary

LETTER OF BUDGET TRANSMITTAL

Date: December 15, 2025

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2026 budget and budget message for TWIN BUTTES METROPOLITAN DISTRICT NO. 3 in La Plata County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 11, 2025. If there are any questions on the budget, please contact:

Paula Schler, Secretary to the Board
692 Twin Buttes Avenue
Durango, CO 81301
Telephone number: (970) 259-5306

I, Paula Schler, Secretary of the Twin Buttes Metropolitan District No. 3, hereby certify that the attached is a true and correct copy of the 2026 budget.

By:


Secretary

**ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES**

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of La Plata County, Colorado.On behalf of the Twin Buttes Metropolitan District No. 3,
(taxing entity)^Athe Board of Directors(governing body)^Bof the Twin Buttes Metropolitan District No. 3(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 494,160
assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of:

\$ 494,160(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: December 15, 2025 for budget/fiscal year 2026.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)**LEVY²****REVENUE²**

1. General Operating Expenses ^H	<u>20.000</u> mills	\$ <u>9,883</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u><0.000</u> > mills	\$ <u><0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>20.000</u> mills	\$ <u>9,883</u>
3. General Obligation Bonds and Interest ^J	<u>50.000</u> mills	\$ <u>24,708</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ <u>0</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>0</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>0</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ <u>0</u>
	<u>0.000</u> mills	\$ <u>0</u>

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]

70.000

mills

\$ 34,591Contact person: Paula SchlerPhone: (970) 259-5306Signed: Title: Secretary

Survey Question: Does the taxing entity have voter approval to adjust the general
operating levy to account for changes to assessment rates?

☐ Yes ☐ No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|-------|-------------------|-------------------|
| 1. | Purpose of Issue: | Refinancing |
| | Series: | 2025 |
| | Date of Issue: | December 10, 2025 |
| | Coupon Rate: | 5.95 |
| | Maturity Date: | December 1, 2055 |
| | Levy: | 50.000 mills |
| | Revenue: | 24,708 |
| <hr/> | | |
| 2. | Purpose of Issue: | |
| | Series: | |
| | Date of Issue: | |
| | Coupon Rate: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

CONTRACTS^K:

- | | | |
|-------|----------------------|--|
| 3. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |
| <hr/> | | |
| 4. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

To: Board of Directors
From: Steven "Willie" Wilson
CC: File, DWC
Date: 12/5/2025
Re: Revised 2025 and Proposed 2026 Budget Submittal to The Boards ("The Budget Message")

DISTRICTS' SERVICES:

Formed on August 27, 2013 the Districts provide the management, implementation and the coordination of the financing, acquisition, completion and operation of certain public infrastructure and services throughout the development. The improvements are for the collective use and benefit of the property owners and residents of the Districts. District No. 1 operates and maintains all other improvements within the development consistent with both its service plans as well as with an intergovernmental agreement entered into with the City of Durango. In the absence of a master property owners' association District No. 1 performs design review and covenant enforcement for the community.

BASIS OF ACCOUNTING:

The basis of accounting utilized in the preparation of the **2025** and **2026** budgets for the Districts is the modified accrual method. The Districts' **2025** and **2026** Budgets include projected revenues and expenditures for general operating funds, debt service funds and capital projects funds.

IMPORTANT FEATURES OF THE BUDGET:

The budgets do not result in any violation of any applicable property tax or fiscal year spending limitations. Based on prior electoral approval, the property tax revenue IS NOT subject to statutory limitations imposed by Section 29-1-301, C.R.S. or limitations imposed by Article X, Section 20 of the Colorado Constitution. Moreover, there is no cap imposed on the Districts' mill levies in their Service plans as approved by the City. However, under the Districts' bond issue documents, the Districts may but are not required to certify a debt service mill levy greater than 50 mills, adjusted in accordance with the Gallagher Amendment. In this budget certain debt service mill levies are certified at 50 mills as a result of that adjustment. Emergency reserves for all applicable funds have been established at 3% (or greater) trailing year fiscal spending of each applicable fund.

General Note: In 2016 under advice of District Counsel and resulting from certain litigation possibly affecting Colorado Special Districts' authority to issue debt for capital improvements, bond financing activity was assumed by District #2 where the elected directors are selected from the ownership base of the District.

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

District #1-Background Summary

Please note **2024** actual results reflected a deeper deficit than the **2025** adopted budget. This additional deficit was effectively covered by an additional developer advance. Accordingly, the **2025** activity will need to reimburse these accumulated advances. However, the current year (**2025**) projected surplus, which is primarily attributable to the active real estate activity primarily associated with the completion and related sales within Filing 4. The surplus, if it materializes will primarily be in the **4th quarter** of the year and it is projected that all developer advances will be paid to the developer and fund reserves will grow to approximately **\$28K**.

District #1-General Fund

Revised Fund Activity of **\$13.5K**, which is “net” after repaying short term advances back to the Developer (TBDI) raise reserves from **\$14K** to **27.5K**. Departure from original budget is primarily attributable to a slight drop off in targeted filing **#4** sales activity and Beat Street Farm competition eating into the Farm’s market share. Further discussion on the Farm is below.

The proposed **2026** budget reflects a significant improvement in fund reserves. Projected net fund activity of approximately **\$158K** from, **\$27.5K** to **\$186K**. The improvement over prior year(s) is primarily attributable to,

- Improvement in property taxes via it being a “reassessment” year.
- Retail Farm revenue growth
- Keeping operating costs flat

I will be discussing further at our upcoming meeting on **December 11th** 1.) adequate reserves 2.) Repair and Replacement Reserve Funding 3.) Community improvements and 4.) developing a prioritization policy.

Farm Activity

Under the new Manager, Ben Goodrich, he 1). brought the Farm back into an aesthetically pleasing and fully functional operation and 2). is providing an abundance of produce on a reliable basis. As the District manager, I work closely with Ben and have observed the revitalized operations and I feel very comfortable that Ben and the Farm are performing optimally and any potential negative outcomes are from variables that are outside his control. That being said new competition from “Beat Street Farm” is impacting wholesale revenues however our long-term strategy is to move away from wholesale as focus on our community grows.

The take away is that Ben has accomplished the two primary goals that are a prerequisite to a successful farm operation These two fundamental attributes will influence shopping habits driving more residents and outside community members to the Farm Stand on a on an increasingly consistent basis.

District #2 General Fund- District **#2** represents the residential sector for phase 1 of the development. It also holds the largest portion of the tax base (**86%**). Projected **2025** Fund revenues of **\$315K** will be below budget (**\$352K**) by approximately **\$37K** as development fees from original lots sales (from Filing 4) will not meet the targeted level. However real estate transfer fees will reach an all-time high at **\$110K**. Budgeted **2026** revenues of **\$419K** represents a **26%** increase over

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

revised **2025**. This increase is fueled by a growing tax base and real estate activity comparable to revised **2025**.

District 2 Debt Service Fund:

Pursuant to the Board action taken on November 7th, The District was successful in refinancing the entirety of its existing debt under the parameters set forth at that meeting. Accordingly, the Districts' debt service mill levy will **drop 15 mills** from **50 to 35** mills for the upcoming year...yea....Now that the new debt service on the new bonds is effectively level property owners should see future reductions in the DS mill levy.

District #3: Revised 2025 and Proposed 2026 District #3 represents the residential sector for phase 2 of the development. The reassessment year has also driven up property values this district as well. Accordingly, in **2026** O&M tax revenues will grow from **\$8.4K** to **\$10.4K** and Debt Service from **\$21K** to **\$26K**. The **2026** Budget reflects levying **20** mills for O&M purposes and **50** mills for debt service. Please see page 7 for further review and consideration.

District #4: Revised 2025 and Proposed 2026 District #4 represents the commercial sector for the entire development. Through the recent inclusion process by this District to annex the commercial corridor running West from the Speedway gas station property to the Animas High school ("AHS") location the District has been supplemented with potential significant additional tax base which will both drive O&M and Debt Service property taxes as well as public improvement fees (sales tax equivalents). Please see both pages 6 and 7 for additional review and consideration. The growth in the tax base has been curtailed somewhat by the continued utilization of property for public, tax exempt functions and in turn depriving District **#4** of significant O&M and debt service property tax revenues. This shortfall has been recently recouped by raising the O&M mill levy rate on the Speedway gas station, which is owned by an international conglomerate. The owner of the property has not expressed any concern. However, the forecasted **2025** tax base is to increase approximately 5% to **\$1.342M** from **\$1.275M** in **2024**. which will produce approximately **\$90K** for O&M and **\$76K** for Debt service. Please see page 7 for further review and consideration.

Please Contact Steven Wilson (willie@twinbuttesofdurango.com) or 970.729.3405 if you would like more information regarding this budget.

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
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SUMMARY District #1													COMMENTS
General Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4060000-Farm Revenues	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	Growing Retail Base, additional Farm stands
4070003-Alpine Bank PDPA Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing Idle cash base
4070005-Sale of Asset-Proceeds	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070010-Misc Income-billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Shoveling Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	Continue with this service
Total Operating Revenue	114,413	113,991	90,940	79,642	93,107	87,763	63,689	52,838	63,905	62,400	1,505	62,900	
4900002-Development Fees IN-from D2 DSF	39,090	60,421	48,275	75,000	96,067	36,290	24,180	24,654	12,274	75,000	(62,726)	-	
4900003-Development Fees IN-from D2 O&M 2025	-	-					-	-	30,000	-	30,000	39,000	Primarily Filing 4 Activity
4900004-Real Estate Trans. Fees (RETF)-IN from D2 O&M	37,644	15,653	23,536	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380	Primarily Filing 4 Activity
4900012-O&M Property Tax IN-from D2 O&M	89,938	44,689	49,291	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462	(20 mills)-See Prop Tax Sum Pg 7
4900022-O&M Property Tax IN-from D3 O&M	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	(20 mills)-See Prop Tax Sum Pg 7
4900032-O&M Property Tax IN-from D4 O&M	12,636	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	(62.364 mills)-See Prop Tax Sum Pg 7
4900050-PIF Revenues IN-from D4 O&M	-	469	954	905	316	35	16	68	215	15	200	15	
4900055-CTF Receipts IN-from D2 O&M	-	-	-	-	-	64	134	147	767	62	705	800	
4900055-CTF Receipts IN-from D3 O&M		-	-	-	-	13	14	12	12	12	0	12	
4900033-InterGovt NonCash Adj_ with D4	(1,388)	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Revenue	178,533	137,966	136,470	236,085	321,763	248,921	297,274	327,564	427,406	453,108	(25,703)	520,524	
Total Revenues	292,946	251,957	227,410	315,727	414,870	336,684	360,963	380,402	491,310	515,508	(24,198)	583,424	
Expenditures													
5100000-Mgmt & Admin.	(158,981)	(186,856)	(176,758)	(196,770)	(217,760)	(252,976)	(262,009)	(284,299)	(291,022)	(280,822)	(10,200)	(295,178)	Anticipated inflationary adjustments
5301000-Farm Operations	(164,048)	(156,304)	(134,966)	(105,426)	(95,169)	(102,297)	(99,457)	(94,448)	(96,751)	(95,329)	(1,422)	(87,596)	Improving productivity via 2025 cleanup/org
5701000 Community Prop. & Grounds Maint.	-	(14,942)	(23,882)	(12,867)	(27,651)	(53,787)	(39,835)	(23,956)	(36,827)	(27,500)	(9,327)	(27,780)	Expanding outsourced property maintenance
5900012-Contingency	-	-	-	-	-	-	-	-	(5,000)	(15,000)	10,000	(15,000)	
Capital & Other	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	See discussion in Budget Message
Total Expenditures	(323,879)	(358,102)	(338,069)	(315,063)	(343,758)	(416,792)	(401,300)	(402,704)	(429,600)	(418,651)	(10,949)	(425,554)	
NET ACTIVITY before Other Source/(Uses)	(30,933)	(106,145)	(110,659)	664	71,112	(80,108)	(40,337)	(22,302)	61,710	96,857	(35,147)	157,870	
Other Sources/(Uses)													
4800003-Developer Advances	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	Settle TBD 2023 & 2024 subsidy
InterEntity Settlement with D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Sources and Uses	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	
Net Fund Activity	147,073	(81,022)	(40,981)	22,843	71,112	(80,108)	(14,377)	0	13,448	79,925	(66,477)	157,870	
Fund Balance-Beginning of Period	(10,440)	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	14,100	-	27,548	
Fund Balance-Ending of Period	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	27,548	94,025	(66,477)	185,418	
Restricted-Emergency (TABOR)	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	-	14,100	TABOR Rsrv 3% of HighToDate fund exp
Unrestricted	122,533	41,511	530	23,373	94,485	14,378	-	-	13,448	79,925	(66,477)	171,318	
Total Fund Balance	136,633	55,611	14,630	37,473	108,585	28,478	14,100	14,100	27,548	94,025	(66,477)	185,418	

Revised 2025 and Proposed 2026 Budget

District #1-Adiministrative Cost Summary

ADMINISTRATIVE													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4070000-Sale of Assets	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070003-Alpine Bank Oper Acct Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing idle cash base
4070010-Misc Income & billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Removal Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	2023/24-58 sites, 2024/25-60 sites
Subtotal Revenue	11,250	15,750	12,750	21,000	35,250	22,606	27,323	22,688	35,610	23,400	12,210	22,900	
5100102 -Contract-Dist Mgr/Fin. Dir./PRtax.	35,000	36,553	36,540	35,151	45,760	57,555	65,601	68,177	67,000	67,000	0	69,010	3% increase
5100109 -Workers Comp	25		44						-	-	-	-	
5100111 -Payroll Processing	2,686	2,915	2,994	2,795	2,740	3,679	3,455	3,595	3,514	3,600	86	3,625	
5100201 -Contract Svc -Administration	7,888	8,858	11,933	12,217	17,378	28,399	40,951	49,370	60,391	46,203	(14,188)	62,202	Paula involved in amassing activities
5100203 -Contract Svc Accounting	25,388	34,813	29,390	30,761	42,849	43,774	36,454	36,583	39,312	39,600	288	42,000	
5100204 -Contract-Staff Accounting	-	-	-	-	-	-	-	5,154	4,499	4,893	395	4,769	2026=2025x1.06
5100205 -Design Review-Professional Svc	1,400	-	-	-	-	-	-	-	-	-	-	-	
5100206 -DRC-Contract Svc Admin	17,048	21,149	33,462	43,321	38,775	32,120	37,738	39,650	25,895	35,026	9,131	26,672	Offsetting variances w Admin
5100207 -DRC-Admin Costs	-	59	795	2,367	1,302	584	480	509	593	500	(93)	500	\$10/mo zoom
5100301 -Auto Expense-Mileage Reimburse	-	-	-	-	-	-	-	-	-	-	-	-	
5100303 -Bank Charges	99	-	-	-	-	-	-	-	-	-	-	-	
5100306 -DRC & Board Meetings	25	-	-	-	1,254	900	708	-	1,000	1,200	200	1,200	Allowance for DRC gift baskets
5100307 -Insurance-Commercial Policy	9,357	10,375	10,346	9,511	9,523	11,454	11,575	11,690	12,119	12,000	(119)	12,500	
5100375 -Stormwater Regulation	-	-	-	-	66	-	-	-	-	-	-	-	
5100399 -Bad Debt Expense	512	-	78	-	1	-	-	-	-	-	-	-	
5100400 -Legal Fees	28,345	15,910	18,738	22,063	17,774	31,815	19,202	22,232	17,701	15,000	(2,701)	17,000	level w 2025 actual
5100480 -Audit Fees	26,784	51,757	27,929	34,072	34,589	36,452	38,720	40,750	41,384	42,000	616	42,000	Engagement Letter soon
5100490 -MIS Support/Website Maint	-	-	-	-	897	1,691	2,232	1,782	6,164	2,000	(4,164)	2,000	2025Tablet/Ionos/Pickle/ADAweb&docs
5100501 -Postage & Freight	98	50	-	63	42	123	81	20	93	100	7	100	
5100503 -SDA Membership & Publications	1,217	1,266	1,256	1,401	1,689	1,413	1,650	1,439	1,347	1,500	153	1,500	SDA/ColoSOS/DroBusLic/CObusLic
5100505 -Office Lease	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	9,980	10,000	20	10,000	Developer lease-Incl. utilities
5100521 -Office Supplies	-	131	253	-	121	15	160	211	13	-	(13)	-	Included in lease
5100550 -Misc & Other	109	20	-	48	-	-	-	137	19	200	181	100	
Total Management, Accounting & Admin	158,981	186,856	176,758	196,770	217,760	252,976	262,009	284,299	291,022	280,822	(10,200)	295,178	
5701000 Community Property & Grounds Maint.													
5701002 · Prop Maint-Labor Alloc	-	-	-	-	12,008	36,172	10,015	728	1,568	1,500	(68)	2,700	Primarily TBDI Allocated Labor
5701006 · Prop Maint-Work Comp Ins	-	-	-	-	-	-	1,151	-	-	-	-	60	
5701006 · Prop Maint-Subcontract	-	14,942	23,882	12,873	11,875	10,561	24,353	20,160	31,713	23,000	(8,713)	21,020	Snow, Ldsp, grass, Portapotty
5701008 · Prop Maint-Materials	-	-	-	-	3,768	7,054	4,316	2,358	2,643	3,000	357	3,000	
5701020 · Prop Maint-Utilities	-	-	-	-	-	-	-	710	902	-	(902)	1,000	Water usage-WildChives/RowePk
5701000 Community Property & Grounds Maint.	-	14,942	23,882	12,873	27,651	53,787	39,835	23,956	36,827	27,500	(9,327)	27,780	

FARM OPERATIONS													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4060000 Farm Sales													
4060002 CSA Produce Share	18,900	-	-	-	-	-			200	-	200	-	
4060004 Wholesale Egg Sales	886	1,908	1,319	759	219	615	282	714	330	-	330	-	
4060006 Wholesale Sales	80,744	84,753	63,557	43,395	40,503	45,645	26,636	16,625	8,962	20,000	(11,038)	15,000	
4060012 Farm Stand Sales (net of discount)	2,633	11,580	13,314	14,488	17,135	18,898	9,448	12,811	19,002	19,000	2	25,000	
Total 4060000 Farm Sales	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	
5301000 Operating Expenses													
5301004 - Wages Farm Staff	116,604	106,934	92,614	72,246	62,832	76,010	70,000	62,080	70,910	63,000	(7,910)	60,000	Supporting Schedule
5301008 - Payroll Taxes	9,270	8,501	7,363	5,744	5,167	6,001	5,382	4,873	5,591	5,088	(503)	4,800	8% of Wages
5301005 - Wages Temp Labor	345	148	1,061	474	-	-	-	413	-	600	600	-	
5301009 Workers Comp	4,041	4,146	3,632	2,043	1,628	1,653	1,917	920	986	1,800	814	1,600	(\$1,400 + \$200 audit)
5301010 Licensing/Certs/Dues	100	50	204	50	26	-	16	-	96	66	(30)	96	DRO/CODOR/Egg licenses
5301011 Auto/Mileage Reimbursement	485	535	-	-	180	575	668	861	750	250	(500)	800	
5301012 Publications	-	-	-	-	-	-	-	-	-	-	-	-	
5301013 Apiary Production Costs	823	-	725	132	950	536	389	435	-	500	500	500	
5301014 Egg Production Costs	2,080	3,213	1,766	1,782	1,355	2,774	1,346	1,642	1,072	2,200	1,128	1,000	Primarily Chx Feed
5301016 - Goods for Resale	-	-	1,482	2,977	3,067	62		4,621	2,835	4,200	1,365	3,000	Palis.Peaches/OlathCorn
5301025 Advertising and Promotion	-	640	27	48	-	-	690	-	-	-	-	-	
5301030 Topsoil & amendments	1,119	734	-		886	422	2,396	480	782	500	(282)	500	\$200 CC, 800 for Fert
5301031 Soil Testing	395	495	-	211	-	-	-		-	-	-	-	Under Research
5301032 Seeds & Starts	3,981	3,562	3,387	3,475	2,304	2,390	2,854	2,987	2,224	3,100	876	3,100	\$2800 Seeds, \$500 PS
5301033 Fertilization	1,996	2,556	3,835	1,831	918	1,061	2,171	1,330	1,157	1,330	173	1,330	Fish/blood meal
5301034 General Supplies, Consumable	1,189	8,992	2,235	1,719	4,496	1,018	707	4,220	3,807	2,500	(1,307)	2,500	
5301040 Packaging													
5301042 Egg Packaging	-	-		-	-	-	-	-	-	400	400	400	
5301044 Wholesale Packaging	759	1,178	261	1,396	640	969	1,080	1,745	-	700	700	700	
5301050 Tools and Equipment													
5301051 Tool Purchase	-	-	-	-	-	-	-	-	692	100	(592)	800	
5301052 Equipment Repair & Maintenance	5,047	3,451	3,466	1,038	2,193	1,522	1,989	1,024	619	750	131	750	
5301054 Equipment Rental	-	-	-	-	-	-	-	-	100	-	(100)	-	
5301060 Utilities													
5301062 Propane						1,072	2,106	2,113	1,383	2,200	817	1,700	
5301064 Electricity	4,864	4,212	5,091	3,191	4,535	1,449	1,558	1,559	1,111	1,600	489	1,300	Harvest station power
5301066 Water						581	606	819	1,083	800	(283)	1,000	
5301069 Sanitation-portapotties						402	784	670	959	825	(134)	-	6 months/yr
5301070 Farm Truck F150													
5301072 Truck Fuel	6,274	2,699	3,666	2,973	3,597	862	723	689	253	800	547	400	
5301074 Truck Repair & Maintenance						2,204	1,882	161	76	1,500	1,424	800	
5301076 Truck Insurance/Registration									-	-	-	-	
5301090 Travel and Meals	1,186	878	268	226	-	377	72	365	145	200	55	200	
5301095 Misc & Other			13		274	238		321	-	200	200	200	
5301505 Land Leases	3,490	3,380	3,870	3,870	120	120	120	120	120	120	-	120	McIntyre East plot
Total Farm Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Total Event Development										-		-	
Total Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Operating Surplus/(Deficit)	(60,885)	(58,063)	(56,776)	(46,784)	(37,312)	(37,139)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	
6000000 Capital Purchases/Expenditures													
6000012 Vehicles and Accessories	-	-		-	17,250	(1,000)	-	-	-	-	-	-	
6000014 Trailer/Snow Blower	-	-		-		(950)	-	-	-	-	-	-	
6000016 Maintenance and Storage Barn	(850)	-		-	(1,803)	(1,593)	-	-	-	-	-	-	
6000026 Tractor & Implements	-	-	(2,463)	-		(3,500)	-	-	-	-	-	-	
6000030 Website Development	-	-		-	(9,600)		-	-	-	-	-	-	
6000036 Infrastructure Cost Audit	-	-		-	(9,026)	(690)	-	-	-	-	-	-	
Total 6000000 Capital Purchases	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	
Net Surplus/(Deficit) (or Funding Requirement)	(61,735)	(58,063)	(59,239)	(46,784)	(40,490)	(44,872)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	

Twin Buttes Metropolitan Districts No. 1-4 Revised 2025 and Proposed 2026 Budget District #2-Fund Summary												
District #2												
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed
GENERAL FUND												
Revenue												
4121001-D2 Property Taxes-O&M RE Tax	83,988	41,085	45,826	98,889	102,014	89,825	111,416	165,490	166,558	166,558	0	262,700
4121003-D2 Property Taxes-O&M SO Tax	8,409	4,836	4,841	9,645	11,396	11,400	11,424	14,844	15,394	18,321	(2,927)	23,643
4121005-D2 Treasurer Fees-O&M fees	(2,520)	(1,233)	(1,375)	(2,862)	(3,060)	(2,800)	(3,342)	(5,158)	(4,997)	(4,997)	(0)	(7,881)
4121002-D2 PropTax-O&M RE Abate/Backfill	-	-	-	(3,500)	-	3,500	-	6,449	-	-	-	-
Total O&M Property Taxes	89,877	44,688	49,292	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462
4200002-D2 Real Estate Transfer Fees (RETF)	28,548	15,654	23,535	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380
4402002-D2 Development Fees	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	39,000	75,000	(36,000)	39,000
4402000-D2 Conserv. Trust Funds (CTF)	-	-	-	-	-	64	134	147	767	62	705	800
Total O&M Other Fee Revenue	76,548	66,654	77,535	138,590	123,913	85,512	107,294	50,737	146,559	172,442	(25,883)	141,180
Total Revenue	166,425	111,342	126,827	240,762	234,262	187,438	226,791	232,362	323,514	352,325	(28,811)	419,642
Expenditures												
Intergovernmental												
9300011-D2 O&M Prop.Tax OUT to D1	(89,938)	(44,689)	(49,291)	(102,172)	(110,349)	(101,925)	(119,497)	(181,625)	(176,956)	(179,883)	2,927	(278,462)
9300003-D2 RETF OUT to D1	(37,644)	(15,653)	(23,536)	(42,590)	(54,913)	(49,449)	(80,160)	(26,590)	(106,792)	(97,380)	(9,412)	(101,380)
9300002-D2 Dev Fees OUT to D1-2025 & 2026	-	-	-	-	-	-	-	-	(30,000)	-	(30,000)	(39,000)
9300025-D2 CTF OUT to D1	-	-	-	-	-	(64)	(134)	(147)	(767)	(62)	(705)	(800)
9290003-D2 Cap Outlay-Dev Offset-2018	-	-	-	-	-	-	-	-	-	-	-	-
Total Intergovernmental Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)
Total Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)
Net Fund Activity-BEFORE Other Sources/(Uses)												
	38,843	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-
OtherFinancing Sources/(Uses)												
4800003-Operating Subsidy from TBD Inc.	-	125,372	-	-	-	-	-	-	-	-	-	-
9250012-Bond-2018B Bond COI Costs	-	(125,372)	-	-	-	-	-	-	-	-	-	-
9320101-Dev Fees OUT Fr D2 O&M- To D2 DSF	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-
Net Other Sources/(Uses)	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-
Net Fund Activity-AFTER Other Sources/(Uses)												
	(9,157)	-	-	(0)	-	-	-	-	-	-	-	-
Fund Balance-Beginning of Period												
	9,157	-	-	-	-	-	-	-	-	-	-	-
Fund Balance-Ending of Period												
	-	-	-	(0)	-	-	-	-	-	-	-	-
Restricted-Emergency (TABOR)	4,900	4,900	4,900	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Unrestricted	(4,900)	(4,900)	(4,900)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)
Total Fund Balance	-	-	-	(0)	-	-	-	-	-	-	-	-

See Page 7 for further analysis
9% of RE
3% RE tax-Collection Fee

2026 Filing 4 & Secondary Sales
2026 Primarily Filing 4 Activity

TABOR Rsrv 3% HighToDate exp

Twin Buttes Metropolitan Districts No. 1-4 Revised 2022 and Proposed 2023 Budget District #2-Fund Summary												
District #2												
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed
DEBT SERVICE FUND												
Revenues												
4122001-D2 Property Taxes-DSF RE Tax	83,988	102,713	115,749	247,223	255,034	224,561	278,541	413,725	416,396	416,396	0	459,724
4122002-D2 PropTax-DSF RE Abate	-	-	-	(8,751)	-	8,747	-	-	-	-	-	-
4122003-D2 Property Taxes-DSF SO Tax	8,515	10,967	12,200	24,273	28,341	25,293	28,333	37,110	38,110	45,804	(7,694)	41,375
4122005-Treasurer Fees-DSF Fees	(2,520)	(3,081)	(3,472)	(7,154)	(7,651)	(6,999)	(8,356)	(12,412)	(12,492)	(12,492)	(0)	(13,792)
4122002-D2 PropTax-DSF RE Backfill	-	-	-	-	-	-	-	-	-	-	-	-
Total DSF Property Taxes	89,983	110,599	124,477	255,591	275,724	251,603	298,517	438,423	442,014	449,708	(7,694)	487,308
4901030-DSF Property Tax IN-from D3DSF	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190
4901040-DSF Property Tax IN-from D4DSF	64,978	59,005	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331
Total Intergovernmental Revenue	64,978	65,340	64,548	57,981	65,822	85,366	85,225	90,144	97,287	98,206	(918)	101,522
4700000-Interest on Restricted Funds	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300
Total Restricted Revenue	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300
Total Revenue	157,611	181,572	196,937	314,925	341,583	342,961	405,300	557,697	561,125	572,713	(11,589)	609,129
Expenditures												
Intergovernmental												
9300001-D2 Dev. Fees OUT TO D1	(39,090)	(60,421)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-
4901041-D2 InterGovt NonCashAdj_with D4-DSF	(6,942)	6,942	-	-	-	-	-	-	-	-	-	-
Total Intergovernmental Expenditures	(46,032)	(53,479)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-
Debt Service												
2710202 · Princ Reduction-2016A Bonds	-	-	(35,000)	(50,000)	(60,000)	(65,000)	(65,000)	(70,000)	(3,870,000)	(75,000)	(3,795,000)	-
9251000 · Interest Exp-2016A Bonds	(258,169)	(258,169)	(258,169)	(256,025)	(252,963)	(249,288)	(245,306)	(241,325)	(244,992)	(237,038)	(7,954)	-
2710401 · Princ Reduction-2018B Bonds	-	-	-	-	-	-	-	(10,000)	(4,490,000)	(70,000)	(4,420,000)	-
9252000 - Interest Exp-2018B Bonds-Paid	-	-	-	-	-	-	(119,918)	(228,161)	(250,000)	(188,000)	(62,000)	-
2710501 - Principal Activity-2025 Bonds	-	-	-	-	-	-	-	-	9,930,600	-	-	-
9253000 - Interest Exp-2025 Bonds-Paid	-	-	-	-	-	-	-	-	-	-	-	-
9255000 - Filing 3 Escrow	-	-	-	-	-	-	-	-	-	-	-	-
Increase in Escrow for 2025 Bonds	-	-	-	-	-	-	-	-	-	-	-	-
9810000-Trustee Fees/COI	(3,500)	(3,500)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(308,500)	(7,000)	(301,500)	(4,000)
Total Debt Service Expenditures	(261,669)	(261,669)	(300,169)	(313,025)	(319,963)	(321,288)	(437,224)	(556,486)	767,108	(577,038)	(8,586,454)	(584,125)
Total Expenditures	(307,701)	(315,148)	(348,444)	(388,025)	(416,030)	(357,578)	(461,404)	(581,140)	754,834	(652,038)	(8,523,728)	(584,125)
Net Fund Activity-BEFORE Other Sources/(Uses)												
	(150,090)	(133,576)	(151,507)	(73,100)	(74,447)	(14,616)	(56,104)	(23,443)	1,315,959	(79,324)	(8,535,317)	25,004
Other Sources/(Uses)												
480003 - Operating Subsidy from TBD Inc.	3,500	29,698	108,000	-	-	(3,500)	-	-	-	-	-	-
Settlement with TBDI (2016A Bond COI)	-	-	-	-	-	-	-	-	-	-	-	-
4902102-Dev Fees IN-Fr D2O&M To D2DSF	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-
Change in A/P and A/R	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Sources/(Uses)	51,500	80,698	162,000	96,000	69,000	32,500	27,000	24,000	9,000	75,000	(66,000)	-
Net Fund Activity-AFTER Other Sources/(Uses)												
	(98,590)	(52,878)	10,493	22,900	(5,447)	17,884	(29,104)	557	1,324,959	(4,324)	(8,601,317)	25,004
Fund Balance-Beginning of Period												
	463,000	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	323,800	5,014	1,653,774
Fund Balance-Ending of Period												
	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	1,653,774	319,476	(8,596,302)	1,678,778

See Page 7 for further analysis
- 2022 Abate Recapt/2024 Backfill
9% of RE
3% RE tax-Collection Fee
- 2023 Backfill-Not given for DebtSvc

Int on Avg bal \$451k@ 4.5%

Xfr>D1=DecPY Plus Jan-NovCY

6th princ pmt-due 12/1_A Bonds only
- Interest paid_A Bonds
- 1st princ pmt in 12.24
- Interest paid_B Bonds
- 2026 Principal 2025 Bond
2026 Interest 2025 Bond

2025 Bond \$6k-2025/ \$4k 2026

Twin Buttes of Durango Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #3-Fund Summary

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
GENERAL FUND													
Revenues													
4131001-D3 Property Taxes-O&M RE Tax	573	2,370	2,390	3,584	7,184	6,696	7,373	7,961	7,961	7,961	(0)	9,883	See Page 7 for further analysis
4131003-D3 Property Taxes-O&M SO Tax	57	241	258	356	772	751	756	729	730	876	(146)	889	9% of RE
4131005-D3 Treasurer Fees-O&M fees	(17)	(71)	(72)	(108)	(216)	(201)	(221)	(256)	(239)	(239)	0	(296)	3% RE tax-Collection Fee
4131002-D3 PropTax-O&M RE Backfill	-	-	-	-	-	-	-	561	-	-	-	-	
Net O&M Property Taxes	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	
4200002-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
4420002-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
4403000-D3 Conserv. Trust Funds (CTF)	-	-	-	-	-	13	14	12	12	12	0	12	
Total Other Fee Revenue	-	-	-	-	-	13	14	12	12	12	0	12	
Total Revenues	613	2,540	2,576	3,832	7,741	7,260	7,922	9,007	8,464	8,610	(146)	10,488	
Expenditures													
Intergovernmental													
9300013-D3 O&M Property Tax OUT to D1	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,247)	(7,908)	(8,995)	(8,452)	(8,598)	146	(10,476)	
9300025 - D3 CTF OUT to D1	-	-	-	-	-	(13)	(14)	(12)	(12)	(12)	(0)	(12)	
9300001-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Total Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
DEBT SERVICE FUND													
Revenues													
4132001-D3 Property Taxes-DSF RE Tax	-	5,924	6,127	-	-	16,741	18,434	19,902	19,903	19,903	0	24,708	See Page 7 for further analysis
4132001-D3 Property Taxes-DSF SO Tax	-	589	658	53	-	1,753	1,889	1,822	1,834	2,189	(355)	2,224	9% of RE
4132005-D3 Treasurer Fees-DSF fees	-	(178)	(184)	-	-	(502)	(553)	(597)	(597)	(597)	(0)	(741)	3% RE tax-Collection Fee
4131002-D3 PropTax-DSF RE Backfill	-	-	-	-	-	-			-	-	-	-	
Net DSF Property Taxes	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
42000XX-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
44200XX-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
Total Other Fee Revenue	-	-	-	-	-	-			-	-	-	-	
Total Revenues	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
Expenditures													
Intergovernmental													
9300015-D3 DSF Property Tax OUT to D2	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
93000XX-D3 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
93000XX-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Total Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	0	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	0	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #4-Fund Summary

	District #4												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
General Fund													
Revenues													
4141001-D4 Property Taxes-O&M RE Tax	12,048	10,703	10,749	10,803	48,723	49,362	60,401	83,078	79,533	79,533	(0)	83,684	See Page 7 for further analysis
4141002-D4 PropTax-O&M RE Abate	(1,685)	1,685	-	-	-	-	-	(6,263)	6,263	6,263	-	-	
4141003-D4 Property Taxes-O&M SO Tax	1,196	2,178	1,412	1,107	5,115	6,018	6,776	8,221	8,748	8,749	(1)	9,205	11% of RE ('25 incl PersPropReimb \$1,026)
4141005-D4 Treasurer Fees-O&M fees	(311)	(372)	(323)	(324)	(1,462)	(1,481)	(1,812)	(2,412)	(2,604)	(2,386)	(218)	(2,511)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4141007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	2,849	-	-	-	-	2023 Backfill
Total O&M Property Taxes	11,248	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	
4200002-D4 Real Estate Transfer Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4420002-D4 Development Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4600001-D4 Public Improvement Fees (PIF)	-	469	954	905	316	35	16	68	215	15	200	15	PIF 2%
Total Other Fee Revenue	-	469	954	905	316	35	16	68	215	15	200	15	
Total Revenues	11,248	14,663	12,792	12,491	52,692	53,934	65,381	85,541	92,153	92,173	(20)	90,394	
Expenditures													
Intergovernmental													
9300014-D4 O&M Property Tax OUT to D1	(12,636)	(14,194)	(11,838)	(11,586)	(52,376)	(53,899)	(65,365)	(85,473)	(91,939)	(92,158)	220	(90,379)	
9300004-D4 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
9300001-D4 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
9300050-D4 PIF OUT to D1	-	(469)	(954)	(905)	(316)	(35)	(16)	(68)	(215)	(15)	(200)	(15)	
9300015-D4 Intergovt. Non-Cash Adjust w D1	1,388	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Total Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #4												
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Debt Service Fund													
Revenues													
4142001-D4-Property Taxes-DSF RE Tax	60,242	53,518	53,749	54,012	60,911	61,703	60,401	69,232	66,277	66,277	(1)	69,737	See Page 7 for further analysis
4142002-D2 PropTax-DSF RE Abatement	(8,426)	8,426	-	-	-	-	-	(5,220)	5,220	5,220	-	-	
4142003-D4-Property Taxes-DSF SO Tax	5,980	5,861	5,810	5,536	6,738	7,523	6,867	6,925	6,818	7,291	(473)	7,671	11% of RE (2025 incl PersPropReimb \$757)
4142005-D4-Treasurer Fees-DSF Fees	240	(1,858)	(1,612)	(1,620)	(1,827)	(1,851)	(1,812)	(1,920)	(2,167)	(2,077)	(90)	(2,077)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4142007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	-	-	-	-	-	2023 Backfill-Not given for DebtSvc
Total DSF Property Taxes	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Total Revenues	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Expenditures													
Intergovernmental													
9300040-D4 DSF Property Tax OUT to D2	(64,978)	(59,005)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
9300041-D4 InterGovt. Non-Cash Adjust w D2	6,942	(6,942)	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Total Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
Assessed Valuation and Property Tax Revenue Analysis

Description	District #1	District #2	District #3	District #4-Comm'l	Total	% Inc(Dec)
2015 Assessed Valuation	\$ -	\$ 445,640	\$ 52,870	\$ 1,204,870	\$ 1,703,380	
2016 Assessed Valuation	\$ -	\$ 4,199,420	\$ 28,640	\$ 1,204,830	\$ 5,432,890	219%
2017 Assessed Valuation	\$ 350	\$ 2,054,270	\$ 118,480	\$ 1,070,360	\$ 3,243,460	-40%
2018 Assessed Valuation	\$ 350	\$ 2,291,280	\$ 119,500	\$ 1,075,170	\$ 3,486,300	7%
2019 Assessed Valuation	\$ 370	\$ 4,944,470	\$ 179,210	\$ 1,080,250	\$ 6,204,300	78%
2020 Assessed Valuation	\$ 118,020	\$ 5,100,690	\$ 359,210	\$ 1,218,030	\$ 6,795,950	10%
2021 Assessed Valuation	\$ 118,020	\$ 4,491,230	\$ 334,820	\$ 1,234,060	\$ 6,178,130	-9%
2022 Assessed Valuation	\$ 118,020	\$ 5,570,810	\$ 368,670	\$ 1,208,020	\$ 7,265,520	18%
2023 Assessed Valuation	\$ 130,660	\$ 8,274,500	\$ 398,050	\$ 1,384,630	\$ 10,187,840	40%
2024 Assessed Valuation	130,660	8,327,920	398,050	1,275,300	10,131,930	-1%
2025 Net Change - Additions/(Reductions)	\$ 29,650	\$ 4,807,060	\$ 96,110	\$ 66,570	\$ 4,999,390	
2025 Assessed Valuation (A) as of Dec 1, 2025	\$ 160,310	\$ 13,134,980	\$ 494,160	\$ 1,341,870	\$ 15,131,320	49%
Proposed O&M Mill Rates	-	20.000	20.000	62.364	<<<<<	
Projected O&M Mill Levy Revenues (2026)	\$ -	\$ 262,700	\$ 9,883	\$ 83,684	\$ 356,267	
Proposed Debt Service Mill Rates (B)	-	35.000	50.000	51.970	<<<<<	
Projected Debt Service Mill Levy Revenues (2026)	\$ -	\$ 459,724	\$ 24,708	\$ 69,737	\$ 554,169	

A. Per the revised Certification of Valuation by La Plata County Assessor date 12.01.25

**RESOLUTION TO AMEND 2025 BUDGET
TWIN BUTTES METROPOLITAN DISTRICT NO. 4**

WHEREAS, the Board of Directors of the Twin Buttes Metropolitan District No. 4 appropriated funds for the fiscal year 2025 as follows:

General Fund	\$ 92,173
Debt Service Fund	\$ 76,711
Capital Projects Fund	\$ NA

; and

WHEREAS, the necessity has arisen for additional expenditures or appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2025; and

WHEREAS, the expenditures are a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, the necessity has arisen for additional appropriations and expenditures of funds as reflected by satisfactory evidence presented to and accepted by the Board of Directors at this meeting and set out in the amended budget attached hereto as **Exhibit A**; and

WHEREAS, funds are available for such expenditures from revenue funds available to the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget amendment was available for inspection by the public at a designated public office, a public hearing was held on December 11, 2025 and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Twin Buttes Metropolitan District No. 4 shall and hereby does amend the budget for the fiscal year 2025 as follows:

General Fund	\$ 92,153
Debt Service Fund	\$ 76,148
Capital Projects Fund	\$ NA

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the above-referenced Fund(s) for the purposes stated in **Exhibit A** and that such action of the Board is hereby ratified and approved *nunc pro tunc* as of the date of the actual expenditures.

ADOPTED this 11th day of December 2025.

TWIN BUTTES METROPOLITAN
DISTRICT NO. 4

By:

President

ATTEST:

Secretary

EXHIBIT A

SEE BUDGET PACKAGE

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

To: Board of Directors
From: Steven "Willie" Wilson
CC: File, DWC
Date: 12/5/2025
Re: Revised 2025 and Proposed 2026 Budget Submittal to The Boards ("The Budget Message")

DISTRICTS' SERVICES:

Formed on August 27, 2013 the Districts provide the management, implementation and the coordination of the financing, acquisition, completion and operation of certain public infrastructure and services throughout the development. The improvements are for the collective use and benefit of the property owners and residents of the Districts. District No. 1 operates and maintains all other improvements within the development consistent with both its service plans as well as with an intergovernmental agreement entered into with the City of Durango. In the absence of a master property owners' association District No. 1 performs design review and covenant enforcement for the community.

BASIS OF ACCOUNTING:

The basis of accounting utilized in the preparation of the **2025** and **2026** budgets for the Districts is the modified accrual method. The Districts' **2025** and **2026** Budgets include projected revenues and expenditures for general operating funds, debt service funds and capital projects funds.

IMPORTANT FEATURES OF THE BUDGET:

The budgets do not result in any violation of any applicable property tax or fiscal year spending limitations. Based on prior electoral approval, the property tax revenue IS NOT subject to statutory limitations imposed by Section 29-1-301, C.R.S. or limitations imposed by Article X, Section 20 of the Colorado Constitution. Moreover, there is no cap imposed on the Districts' mill levies in their Service plans as approved by the City. However, under the Districts' bond issue documents, the Districts may but are not required to certify a debt service mill levy greater than 50 mills, adjusted in accordance with the Gallagher Amendment. In this budget certain debt service mill levies are certified at 50 mills as a result of that adjustment. Emergency reserves for all applicable funds have been established at 3% (or greater) trailing year fiscal spending of each applicable fund.

General Note: In 2016 under advice of District Counsel and resulting from certain litigation possibly affecting Colorado Special Districts' authority to issue debt for capital improvements, bond financing activity was assumed by District #2 where the elected directors are selected from the ownership base of the District.

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

District #1-Background Summary

Please note **2024** actual results reflected a deeper deficit than the **2025** adopted budget. This additional deficit was effectively covered by an additional developer advance. Accordingly, the **2025** activity will need to reimburse these accumulated advances. However, the current year (**2025**) projected surplus, which is primarily attributable to the active real estate activity primarily associated with the completion and related sales within Filing 4. The surplus, if it materializes will primarily be in the **4th quarter** of the year and it is projected that all developer advances will be paid to the developer and fund reserves will grow to approximately **\$28K**.

District #1-General Fund

Revised Fund Activity of **\$13.5K**, which is “net” after repaying short term advances back to the Developer (TBDI) raise reserves from **\$14K** to **27.5K**. Departure from original budget is primarily attributable to a slight drop off in targeted filing **#4** sales activity and Beat Street Farm competition eating into the Farm’s market share. Further discussion on the Farm is below.

The proposed **2026** budget reflects a significant improvement in fund reserves. Projected net fund activity of approximately **\$158K** from, **\$27.5K** to **\$186K**. The improvement over prior year(s) is primarily attributable to,

- Improvement in property taxes via it being a “reassessment” year.
- Retail Farm revenue growth
- Keeping operating costs flat

I will be discussing further at our upcoming meeting on **December 11th** 1.) adequate reserves 2.) Repair and Replacement Reserve Funding 3.) Community improvements and 4.) developing a prioritization policy.

Farm Activity

Under the new Manager, Ben Goodrich, he 1). brought the Farm back into an aesthetically pleasing and fully functional operation and 2). is providing an abundance of produce on a reliable basis. As the District manager, I work closely with Ben and have observed the revitalized operations and I feel very comfortable that Ben and the Farm are performing optimally and any potential negative outcomes are from variables that are outside his control. That being said new competition from “Beat Street Farm” is impacting wholesale revenues however our long-term strategy is to move away from wholesale as focus on our community grows.

The take away is that Ben has accomplished the two primary goals that are a prerequisite to a successful farm operation These two fundamental attributes will influence shopping habits driving more residents and outside community members to the Farm Stand on a on an increasingly consistent basis.

District #2 General Fund- District **#2** represents the residential sector for phase 1 of the development. It also holds the largest portion of the tax base (**86%**). Projected **2025** Fund revenues of **\$315K** will be below budget (**\$352K**) by approximately **\$37K** as development fees from original lots sales (from Filing 4) will not meet the targeted level. However real estate transfer fees will reach an all-time high at **\$110K**. Budgeted **2026** revenues of **\$419K** represents a **26%** increase over

Twin Buttes Metropolitan Districts No. 1 - 4

Finance Office

Memorandum

revised **2025**. This increase is fueled by a growing tax base and real estate activity comparable to revised **2025**.

District 2 Debt Service Fund:

Pursuant to the Board action taken on November 7th, The District was successful in refinancing the entirety of its existing debt under the parameters set forth at that meeting. Accordingly, the Districts' debt service mill levy will **drop 15 mills** from **50 to 35** mills for the upcoming year...yea....Now that the new debt service on the new bonds is effectively level property owners should see future reductions in the DS mill levy.

District #3: Revised 2025 and Proposed 2026 District #3 represents the residential sector for phase 2 of the development. The reassessment year has also driven up property values this district as well. Accordingly, in **2026** O&M tax revenues will grow from **\$8.4K** to **\$10.4K** and Debt Service from **\$21K** to **\$26K**. The **2026** Budget reflects levying **20** mills for O&M purposes and **50** mills for debt service. Please see page 7 for further review and consideration.

District #4: Revised 2025 and Proposed 2026 District #4 represents the commercial sector for the entire development. Through the recent inclusion process by this District to annex the commercial corridor running West from the Speedway gas station property to the Animas High school ("AHS") location the District has been supplemented with potential significant additional tax base which will both drive O&M and Debt Service property taxes as well as public improvement fees (sales tax equivalents). Please see both pages 6 and 7 for additional review and consideration. The growth in the tax base has been curtailed somewhat by the continued utilization of property for public, tax exempt functions and in turn depriving District **#4** of significant O&M and debt service property tax revenues. This shortfall has been recently recouped by raising the O&M mill levy rate on the Speedway gas station, which is owned by an international conglomerate. The owner of the property has not expressed any concern. However, the forecasted **2025** tax base is to increase approximately 5% to **\$1.342M** from **\$1.275M** in **2024**. which will produce approximately **\$90K** for O&M and **\$76K** for Debt service. Please see page 7 for further review and consideration.

Please Contact Steven Wilson (willie@twinbuttesofdurango.com) or 970.729.3405 if you would like more information regarding this budget.

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
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7	Districts 1-4-Assessed Valuation and Property Tax Analysis (Mill Levies)

SUMMARY District #1													COMMENTS
General Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4060000-Farm Revenues	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	Growing Retail Base, additional Farm stands
4070003-Alpine Bank PDPA Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing Idle cash base
4070005-Sale of Asset-Proceeds	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070010-Misc Income-billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Shoveling Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	Continue with this service
Total Operating Revenue	114,413	113,991	90,940	79,642	93,107	87,763	63,689	52,838	63,905	62,400	1,505	62,900	
4900002-Development Fees IN-from D2 DSF	39,090	60,421	48,275	75,000	96,067	36,290	24,180	24,654	12,274	75,000	(62,726)	-	
4900003-Development Fees IN-from D2 O&M 2025	-	-					-	-	30,000	-	30,000	39,000	Primarily Filing 4 Activity
4900004-Real Estate Trans. Fees (RETF)-IN from D2 O&M	37,644	15,653	23,536	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380	Primarily Filing 4 Activity
4900012-O&M Property Tax IN-from D2 O&M	89,938	44,689	49,291	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462	(20 mills)-See Prop Tax Sum Pg 7
4900022-O&M Property Tax IN-from D3 O&M	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	(20 mills)-See Prop Tax Sum Pg 7
4900032-O&M Property Tax IN-from D4 O&M	12,636	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	(62.364 mills)-See Prop Tax Sum Pg 7
4900050-PIF Revenues IN-from D4 O&M	-	469	954	905	316	35	16	68	215	15	200	15	
4900055-CTF Receipts IN-from D2 O&M	-	-	-	-	-	64	134	147	767	62	705	800	
4900055-CTF Receipts IN-from D3 O&M		-	-	-	-	13	14	12	12	12	0	12	
4900033-InterGovt NonCash Adj_ with D4	(1,388)	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Revenue	178,533	137,966	136,470	236,085	321,763	248,921	297,274	327,564	427,406	453,108	(25,703)	520,524	
Total Revenues	292,946	251,957	227,410	315,727	414,870	336,684	360,963	380,402	491,310	515,508	(24,198)	583,424	
Expenditures													
5100000-Mgmt & Admin.	(158,981)	(186,856)	(176,758)	(196,770)	(217,760)	(252,976)	(262,009)	(284,299)	(291,022)	(280,822)	(10,200)	(295,178)	Anticipated inflationary adjustments
5301000-Farm Operations	(164,048)	(156,304)	(134,966)	(105,426)	(95,169)	(102,297)	(99,457)	(94,448)	(96,751)	(95,329)	(1,422)	(87,596)	Improving productivity via 2025 cleanup/org
5701000 Community Prop. & Grounds Maint.	-	(14,942)	(23,882)	(12,867)	(27,651)	(53,787)	(39,835)	(23,956)	(36,827)	(27,500)	(9,327)	(27,780)	Expanding outsourced property maintenance
5900012-Contingency	-	-	-	-	-	-	-	-	(5,000)	(15,000)	10,000	(15,000)	
Capital & Other	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	See discussion in Budget Message
Total Expenditures	(323,879)	(358,102)	(338,069)	(315,063)	(343,758)	(416,792)	(401,300)	(402,704)	(429,600)	(418,651)	(10,949)	(425,554)	
NET ACTIVITY before Other Source/(Uses)	(30,933)	(106,145)	(110,659)	664	71,112	(80,108)	(40,337)	(22,302)	61,710	96,857	(35,147)	157,870	
Other Sources/(Uses)													
4800003-Developer Advances	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	Settle TBD 2023 & 2024 subsidy
InterEntity Settlement with D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Sources and Uses	178,006	25,123	69,678	22,179	-	-	25,960	22,302	(48,262)	(16,932)	(31,330)	-	
Net Fund Activity	147,073	(81,022)	(40,981)	22,843	71,112	(80,108)	(14,377)	0	13,448	79,925	(66,477)	157,870	
Fund Balance-Beginning of Period	(10,440)	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	14,100	-	27,548	
Fund Balance-Ending of Period	136,633	55,611	14,630	37,473	108,585	28,477	14,100	14,100	27,548	94,025	(66,477)	185,418	
Restricted-Emergency (TABOR)	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	14,100	-	14,100	TABOR Rsrv 3% of HighToDate fund exp
Unrestricted	122,533	41,511	530	23,373	94,485	14,378	-	-	13,448	79,925	(66,477)	171,318	
Total Fund Balance	136,633	55,611	14,630	37,473	108,585	28,478	14,100	14,100	27,548	94,025	(66,477)	185,418	

Revised 2025 and Proposed 2026 Budget

District #1-Adiministrative Cost Summary

ADMINISTRATIVE													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4070000-Sale of Assets	-	-	-	-	-	-	500	-	1,966	-	1,966	-	
4070003-Alpine Bank Oper Acct Interest	-	-	-	-	-	-	-	4,330	2,727	3,500	(773)	3,000	Growing idle cash base
4070010-Misc Income & billed services	-	-	-	-	-	5,356	7,083	308	13,278	100	13,178	100	General Allowance
4500101-DRC Revenues	11,250	15,750	12,750	21,000	35,250	17,250	15,100	13,250	13,000	15,000	(2,000)	15,000	10 Reviews-consist w/expected
4600101-Snow Removal Revenue	-	-	-	-	-	-	4,640	4,800	4,640	4,800	(160)	4,800	2023/24-58 sites, 2024/25-60 sites
Subtotal Revenue	11,250	15,750	12,750	21,000	35,250	22,606	27,323	22,688	35,610	23,400	12,210	22,900	
5100102 -Contract-Dist Mgr/Fin. Dir./PRtax.	35,000	36,553	36,540	35,151	45,760	57,555	65,601	68,177	67,000	67,000	0	69,010	3% increase
5100109 -Workers Comp	25		44						-	-	-	-	
5100111 -Payroll Processing	2,686	2,915	2,994	2,795	2,740	3,679	3,455	3,595	3,514	3,600	86	3,625	
5100201 -Contract Svc -Administration	7,888	8,858	11,933	12,217	17,378	28,399	40,951	49,370	60,391	46,203	(14,188)	62,202	Paula involved in amassing activities
5100203 -Contract Svc Accounting	25,388	34,813	29,390	30,761	42,849	43,774	36,454	36,583	39,312	39,600	288	42,000	
5100204 -Contract-Staff Accounting	-	-	-	-	-	-	-	5,154	4,499	4,893	395	4,769	2026=2025x1.06
5100205 -Design Review-Professional Svc	1,400	-	-	-	-	-	-	-	-	-	-	-	
5100206 -DRC-Contract Svc Admin	17,048	21,149	33,462	43,321	38,775	32,120	37,738	39,650	25,895	35,026	9,131	26,672	Offsetting variances w Admin
5100207 -DRC-Admin Costs	-	59	795	2,367	1,302	584	480	509	593	500	(93)	500	\$10/mo zoom
5100301 -Auto Expense-Mileage Reimburse	-	-	-	-	-	-	-	-	-	-	-	-	
5100303 -Bank Charges	99	-	-	-	-	-	-	-	-	-	-	-	
5100306 -DRC & Board Meetings	25	-	-	-	1,254	900	708	-	1,000	1,200	200	1,200	Allowance for DRC gift baskets
5100307 -Insurance-Commercial Policy	9,357	10,375	10,346	9,511	9,523	11,454	11,575	11,690	12,119	12,000	(119)	12,500	
5100375 -Stormwater Regulation	-	-	-	-	66	-	-	-	-	-	-	-	
5100399 -Bad Debt Expense	512	-	78	-	1	-	-	-	-	-	-	-	
5100400 -Legal Fees	28,345	15,910	18,738	22,063	17,774	31,815	19,202	22,232	17,701	15,000	(2,701)	17,000	level w 2025 actual
5100480 -Audit Fees	26,784	51,757	27,929	34,072	34,589	36,452	38,720	40,750	41,384	42,000	616	42,000	Engagement Letter soon
5100490 -MIS Support/Website Maint	-	-	-	-	897	1,691	2,232	1,782	6,164	2,000	(4,164)	2,000	2025Tablet/Ionos/Pickle/ADAweb&docs
5100501 -Postage & Freight	98	50	-	63	42	123	81	20	93	100	7	100	
5100503 -SDA Membership & Publications	1,217	1,266	1,256	1,401	1,689	1,413	1,650	1,439	1,347	1,500	153	1,500	SDA/ColoSOS/DroBusLic/CObusLic
5100505 -Office Lease	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	9,980	10,000	20	10,000	Developer lease-Incl. utilities
5100521 -Office Supplies	-	131	253	-	121	15	160	211	13	-	(13)	-	Included in lease
5100550 -Misc & Other	109	20	-	48	-	-	-	137	19	200	181	100	
Total Management, Accounting & Admin	158,981	186,856	176,758	196,770	217,760	252,976	262,009	284,299	291,022	280,822	(10,200)	295,178	
5701000 Community Property & Grounds Maint.													
5701002 · Prop Maint-Labor Alloc	-	-	-	-	12,008	36,172	10,015	728	1,568	1,500	(68)	2,700	Primarily TBDI Allocated Labor
5701006 · Prop Maint-Work Comp Ins	-	-	-	-	-	-	1,151	-	-	-	-	60	
5701006 · Prop Maint-Subcontract	-	14,942	23,882	12,873	11,875	10,561	24,353	20,160	31,713	23,000	(8,713)	21,020	Snow, Ldsp, grass, Portapotty
5701008 · Prop Maint-Materials	-	-	-	-	3,768	7,054	4,316	2,358	2,643	3,000	357	3,000	
5701020 · Prop Maint-Utilities	-	-	-	-	-	-	-	710	902	-	(902)	1,000	Water usage-WildChives/RowePk
5701000 Community Property & Grounds Maint.	-	14,942	23,882	12,873	27,651	53,787	39,835	23,956	36,827	27,500	(9,327)	27,780	

FARM OPERATIONS													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	Comments
4060000 Farm Sales													
4060002 CSA Produce Share	18,900	-	-	-	-	-			200	-	200	-	
4060004 Wholesale Egg Sales	886	1,908	1,319	759	219	615	282	714	330	-	330	-	
4060006 Wholesale Sales	80,744	84,753	63,557	43,395	40,503	45,645	26,636	16,625	8,962	20,000	(11,038)	15,000	
4060012 Farm Stand Sales (net of discount)	2,633	11,580	13,314	14,488	17,135	18,898	9,448	12,811	19,002	19,000	2	25,000	
Total 4060000 Farm Sales	103,163	98,241	78,190	58,642	57,857	65,157	36,366	30,150	28,294	39,000	(10,706)	40,000	
5301000 Operating Expenses													
5301004 - Wages Farm Staff	116,604	106,934	92,614	72,246	62,832	76,010	70,000	62,080	70,910	63,000	(7,910)	60,000	Supporting Schedule
5301008 - Payroll Taxes	9,270	8,501	7,363	5,744	5,167	6,001	5,382	4,873	5,591	5,088	(503)	4,800	8% of Wages
5301005 - Wages Temp Labor	345	148	1,061	474	-	-	-	413	-	600	600	-	
5301009 Workers Comp	4,041	4,146	3,632	2,043	1,628	1,653	1,917	920	986	1,800	814	1,600	(\$1,400 + \$200 audit)
5301010 Licensing/Certs/Dues	100	50	204	50	26	-	16	-	96	66	(30)	96	DRO/CODOR/Egg licenses
5301011 Auto/Mileage Reimbursement	485	535	-	-	180	575	668	861	750	250	(500)	800	
5301012 Publications	-	-	-	-	-	-	-	-	-	-	-	-	
5301013 Apiary Production Costs	823	-	725	132	950	536	389	435	-	500	500	500	
5301014 Egg Production Costs	2,080	3,213	1,766	1,782	1,355	2,774	1,346	1,642	1,072	2,200	1,128	1,000	Primarily Chx Feed
5301016 - Goods for Resale	-	-	1,482	2,977	3,067	62		4,621	2,835	4,200	1,365	3,000	Palis.Peaches/OlathCorn
5301025 Advertising and Promotion	-	640	27	48	-	-	690	-	-	-	-	-	
5301030 Topsoil & amendments	1,119	734	-		886	422	2,396	480	782	500	(282)	500	\$200 CC, 800 for Fert
5301031 Soil Testing	395	495	-	211	-	-	-		-	-	-	-	Under Research
5301032 Seeds & Starts	3,981	3,562	3,387	3,475	2,304	2,390	2,854	2,987	2,224	3,100	876	3,100	\$2800 Seeds, \$500 PS
5301033 Fertilization	1,996	2,556	3,835	1,831	918	1,061	2,171	1,330	1,157	1,330	173	1,330	Fish/blood meal
5301034 General Supplies, Consumable	1,189	8,992	2,235	1,719	4,496	1,018	707	4,220	3,807	2,500	(1,307)	2,500	
5301040 Packaging													
5301042 Egg Packaging	-	-		-	-	-	-	-	-	400	400	400	
5301044 Wholesale Packaging	759	1,178	261	1,396	640	969	1,080	1,745	-	700	700	700	
5301050 Tools and Equipment													
5301051 Tool Purchase	-	-	-	-	-	-	-	-	692	100	(592)	800	
5301052 Equipment Repair & Maintenance	5,047	3,451	3,466	1,038	2,193	1,522	1,989	1,024	619	750	131	750	
5301054 Equipment Rental	-	-	-	-	-	-	-	-	100	-	(100)	-	
5301060 Utilities													
5301062 Propane						1,072	2,106	2,113	1,383	2,200	817	1,700	
5301064 Electricity	4,864	4,212	5,091	3,191	4,535	1,449	1,558	1,559	1,111	1,600	489	1,300	Harvest station power
5301066 Water						581	606	819	1,083	800	(283)	1,000	
5301069 Sanitation-portapotties						402	784	670	959	825	(134)	-	6 months/yr
5301070 Farm Truck F150													
5301072 Truck Fuel	6,274	2,699	3,666	2,973	3,597	862	723	689	253	800	547	400	
5301074 Truck Repair & Maintenance						2,204	1,882	161	76	1,500	1,424	800	
5301076 Truck Insurance/Registration									-	-	-	-	
5301090 Travel and Meals	1,186	878	268	226	-	377	72	365	145	200	55	200	
5301095 Misc & Other			13		274	238		321	-	200	200	200	
5301505 Land Leases	3,490	3,380	3,870	3,870	120	120	120	120	120	120	-	120	McIntyre East plot
Total Farm Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Total Event Development										-		-	
Total Operating Costs	164,048	156,304	134,966	105,426	95,169	102,297	99,457	94,448	96,751	95,329	(1,422)	87,596	
Operating Surplus/(Deficit)	(60,885)	(58,063)	(56,776)	(46,784)	(37,312)	(37,139)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	
6000000 Capital Purchases/Expenditures													
6000012 Vehicles and Accessories	-	-		-	17,250	(1,000)	-	-	-	-	-	-	
6000014 Trailer/Snow Blower	-	-		-		(950)	-	-	-	-	-	-	
6000016 Maintenance and Storage Barn	(850)	-		-	(1,803)	(1,593)	-	-	-	-	-	-	
6000026 Tractor & Implements	-	-	(2,463)	-		(3,500)	-	-	-	-	-	-	
6000030 Website Development	-	-		-	(9,600)		-	-	-	-	-	-	
6000036 Infrastructure Cost Audit	-	-		-	(9,026)	(690)	-	-	-	-	-	-	
Total 6000000 Capital Purchases	(850)	-	(2,463)	-	(3,179)	(7,733)	-	-	-	-	-	-	
Net Surplus/(Deficit) (or Funding Requirement)	(61,735)	(58,063)	(59,239)	(46,784)	(40,490)	(44,872)	(63,091)	(64,298)	(68,457)	(56,329)	(12,128)	(47,596)	

District #2													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
GENERAL FUND													
Revenue													
4121001-D2 Property Taxes-O&M RE Tax	83,988	41,085	45,826	98,889	102,014	89,825	111,416	165,490	166,558	166,558	0	262,700	See Page 7 for further analysis 9% of RE 3% RE tax-Collection Fee
4121003-D2 Property Taxes-O&M SO Tax	8,409	4,836	4,841	9,645	11,396	11,400	11,424	14,844	15,394	18,321	(2,927)	23,643	
4121005-D2 Treasurer Fees-O&M fees	(2,520)	(1,233)	(1,375)	(2,862)	(3,060)	(2,800)	(3,342)	(5,158)	(4,997)	(4,997)	(0)	(7,881)	
4121002-D2 PropTax-O&M RE Abate/Backfill	-	-	-	(3,500)	-	3,500	-	6,449	-	-	-	-	
Total O&M Property Taxes	89,877	44,688	49,292	102,172	110,349	101,925	119,497	181,625	176,956	179,883	(2,927)	278,462	2026 Filing 4 & Secondary Sales 2026 Primarily Filing 4 Activity
4200002-D2 Real Estate Transfer Fees (RETF)	28,548	15,654	23,535	42,590	54,913	49,449	80,160	26,590	106,792	97,380	9,412	101,380	
4402002-D2 Development Fees	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	39,000	75,000	(36,000)	39,000	
4402000-D2 Conserv. Trust Funds (CTF)	-	-	-	-	-	64	134	147	767	62	705	800	
Total O&M Other Fee Revenue	76,548	66,654	77,535	138,590	123,913	85,512	107,294	50,737	146,559	172,442	(25,883)	141,180	
Total Revenue	166,425	111,342	126,827	240,762	234,262	187,438	226,791	232,362	323,514	352,325	(28,811)	419,642	
Expenditures													
Intergovernmental													
9300011-D2 O&M Prop.Tax OUT to D1	(89,938)	(44,689)	(49,291)	(102,172)	(110,349)	(101,925)	(119,497)	(181,625)	(176,956)	(179,883)	2,927	(278,462)	
9300003-D2 RETF OUT to D1	(37,644)	(15,653)	(23,536)	(42,590)	(54,913)	(49,449)	(80,160)	(26,590)	(106,792)	(97,380)	(9,412)	(101,380)	
9300002-D2 Dev Fees OUT to D1-2025 & 2026	-	-	-	-	-	-	-	-	(30,000)	-	(30,000)	(39,000)	
9300025-D2 CTF OUT to D1	-	-	-	-	-	(64)	(134)	(147)	(767)	(62)	(705)	(800)	
9290003-D2 Cap Outlay-Dev Offset-2018	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)	
Total Expenditures	(127,582)	(60,342)	(72,827)	(144,762)	(165,262)	(151,438)	(199,791)	(208,362)	(314,514)	(277,325)	(37,189)	(419,642)	
Net Fund Activity-BEFORE Other Sources/(Uses)													
	38,843	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-	
OtherFinancing Sources/(Uses)													
4800003-Operating Subsidy from TBD Inc.	-	125,372	-	-	-	-	-	-	-	-	-	-	
9250012-Bond-2018B Bond COI Costs	-	(125,372)	-	-	-	-	-	-	-	-	-	-	
9320101-Dev Fees OUT Fr D2 O&M- To D2 DSF	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-	
Net Other Sources/(Uses)	(48,000)	(51,000)	(54,000)	(96,000)	(69,000)	(36,000)	(27,000)	(24,000)	(9,000)	(75,000)	66,000	-	
Net Fund Activity-AFTER Other Sources/(Uses)													
	(9,157)	-	-	(0)	-	-	-	-	-	-	-	-	
Fund Balance-Beginning of Period													
	9,157	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period													
	-	-	-	(0)	-	-	-	-	-	-	-	-	
Restricted-Emergency (TABOR)													
Unrestricted	4,900	4,900	4,900	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	TABOR Rsrv 3% HighToDate exp
Total Fund Balance	(4,900)	(4,900)	(4,900)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	(7,200)	
	-	-	-	(0)	-	-	-	-	-	-	-	-	

District #2													
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
DEBT SERVICE FUND													
Revenues													
4122001-D2 Property Taxes-DSF RE Tax	83,988	102,713	115,749	247,223	255,034	224,561	278,541	413,725	416,396	416,396	0	459,724	See Page 7 for further analysis - 2022 Abate Recapt/2024 Backfill 9% of RE 3% RE tax-Collection Fee - 2023 Backfill-Not given for DebtSvc
4122002-D2 PropTax-DSF RE Abate	-	-	-	(8,751)	-	8,747	-	-	-	-	-	-	
4122003-D2 Property Taxes-DSF SO Tax	8,515	10,967	12,200	24,273	28,341	25,293	28,333	37,110	38,110	45,804	(7,694)	41,375	
4122005-Treasurer Fees-DSF Fees	(2,520)	(3,081)	(3,472)	(7,154)	(7,651)	(6,999)	(8,356)	(12,412)	(12,492)	(12,492)	(0)	(13,792)	
4122002-D2 PropTax-DSF RE Backfill	-	-	-	-	-	-	-	-	-	-	-	-	
Total DSF Property Taxes	89,983	110,599	124,477	255,591	275,724	251,603	298,517	438,423	442,014	449,708	(7,694)	487,308	
4901030-DSF Property Tax IN-from D3DSF	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	Int on Avg bal \$451k@ 4.5%
4901040-DSF Property Tax IN-from D4DSF	64,978	59,005	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Total Intergovernmental Revenue	64,978	65,340	64,548	57,981	65,822	85,366	85,225	90,144	97,287	98,206	(918)	101,522	
4700000-Interest on Restricted Funds	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300	
Total Restricted Revenue	2,650	5,633	7,912	1,354	37	5,992	21,558	29,130	21,823	24,800	(2,977)	20,300	
Total Revenue	157,611	181,572	196,937	314,925	341,583	342,961	405,300	557,697	561,125	572,713	(11,589)	609,129	
Expenditures													
Intergovernmental													
9300001-D2 Dev. Fees OUT TO D1	(39,090)	(60,421)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-	Xfr>D1=DecPY Plus Jan-NovCY
4901041-D2 InterGovt NonCashAdj_with D4-DSF	(6,942)	6,942	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(46,032)	(53,479)	(48,275)	(75,000)	(96,067)	(36,290)	(24,180)	(24,654)	(12,274)	(75,000)	62,726	-	
Debt Service													
2710202 - Princ Reduction-2016A Bonds	-	-	(35,000)	(50,000)	(60,000)	(65,000)	(65,000)	(70,000)	(3,870,000)	(75,000)	(3,795,000)	-	6th princ pmt-due 12/1_A Bonds only - Interest paid_A Bonds - 1st princ pmt in 12.24 - Interest paid_B Bonds - 2026 Principal 2025 Bond 2026 Interest 2025 Bond
9251000 - Interest Exp-2016A Bonds	(258,169)	(258,169)	(258,169)	(256,025)	(252,963)	(249,288)	(245,306)	(241,325)	(244,992)	(237,038)	(7,954)	-	
2710401 - Princ Reduction-2018B Bonds	-	-	-	-	-	-	-	(10,000)	(4,490,000)	(70,000)	(4,420,000)	-	
9252000 - Interest Exp-2018B Bonds-Paid	-	-	-	-	-	-	(119,918)	(228,161)	(250,000)	(188,000)	(62,000)	-	
2710501 - Principal Activity-2025 Bonds	-	-	-	-	-	-	-	-	9,930,600	-	-	(580,125)	2025 Bond \$6k-2025/ \$4k 2026
9253000 - Interest Exp-2025 Bonds-Paid	-	-	-	-	-	-	-	-	-	-	-	-	
9255000 - Filing 3 Escrow	-	-	-	-	-	-	-	-	-	-	-	-	
Increase in Escrow for 2025 Bonds	-	-	-	-	-	-	-	-	-	-	-	-	
9810000-Trustee Fees/COI	(3,500)	(3,500)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(308,500)	(7,000)	(301,500)	(4,000)	
Total Debt Service Expenditures	(261,669)	(261,669)	(300,169)	(313,025)	(319,963)	(321,288)	(437,224)	(556,486)	767,108	(577,038)	(8,586,454)	(584,125)	
Total Expenditures	(307,701)	(315,148)	(348,444)	(388,025)	(416,030)	(357,578)	(461,404)	(581,140)	754,834	(652,038)	(8,523,728)	(584,125)	
Net Fund Activity-BEFORE Other Sources/(Uses)													
	(150,090)	(133,576)	(151,507)	(73,100)	(74,447)	(14,616)	(56,104)	(23,443)	1,315,959	(79,324)	(8,535,317)	25,004	
Other Sources/(Uses)													
480003 - Operating Subsidy from TBD Inc.	3,500	29,698	108,000	-	-	(3,500)	-	-	-	-	-	-	
Settlement with TBDI (2016A Bond COI)	-	-	-	-	-	-	-	-	-	-	-	-	
4902102-Dev Fees IN-Fr D2O&M To D2DSF	48,000	51,000	54,000	96,000	69,000	36,000	27,000	24,000	9,000	75,000	(66,000)	-	
Change in A/P and A/R	-	-	-	-	-	-	-	-	-	-	-	-	
Net Other Sources/(Uses)	51,500	80,698	162,000	96,000	69,000	32,500	27,000	24,000	9,000	75,000	(66,000)	-	
Net Fund Activity-AFTER Other Sources/(Uses)													
	(98,590)	(52,878)	10,493	22,900	(5,447)	17,884	(29,104)	557	1,324,959	(4,324)	(8,601,317)	25,004	
Fund Balance-Beginning of Period													
	463,000	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	323,800	5,014	1,653,774	
Fund Balance-Ending of Period													
	364,410	311,532	322,025	344,926	339,478	357,362	328,258	328,814	1,653,774	319,476	(8,596,302)	1,678,778	

Twin Buttes of Durango Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #3-Fund Summary

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
GENERAL FUND													
Revenues													
4131001-D3 Property Taxes-O&M RE Tax	573	2,370	2,390	3,584	7,184	6,696	7,373	7,961	7,961	7,961	(0)	9,883	See Page 7 for further analysis
4131003-D3 Property Taxes-O&M SO Tax	57	241	258	356	772	751	756	729	730	876	(146)	889	9% of RE
4131005-D3 Treasurer Fees-O&M fees	(17)	(71)	(72)	(108)	(216)	(201)	(221)	(256)	(239)	(239)	0	(296)	3% RE tax-Collection Fee
4131002-D3 PropTax-O&M RE Backfill	-	-	-	-	-	-	-	561	-	-	-	-	
Net O&M Property Taxes	613	2,540	2,576	3,832	7,741	7,247	7,908	8,995	8,452	8,598	(146)	10,476	
4200002-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
4420002-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
4403000-D3 Conserv. Trust Funds (CTF)	-	-	-	-	-	13	14	12	12	12	0	12	
Total Other Fee Revenue	-	-	-	-	-	13	14	12	12	12	0	12	
Total Revenues	613	2,540	2,576	3,832	7,741	7,260	7,922	9,007	8,464	8,610	(146)	10,488	
Expenditures													
Intergovernmental													
9300013-D3 O&M Property Tax OUT to D1	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,247)	(7,908)	(8,995)	(8,452)	(8,598)	146	(10,476)	
9300025 - D3 CTF OUT to D1	-	-	-	-	-	(13)	(14)	(12)	(12)	(12)	(0)	(12)	
9300001-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Total Expenditures	(613)	(2,540)	(2,576)	(3,832)	(7,741)	(7,260)	(7,922)	(9,007)	(8,464)	(8,610)	146	(10,488)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #3												Comments
	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
DEBT SERVICE FUND													
Revenues													
4132001-D3 Property Taxes-DSF RE Tax	-	5,924	6,127	-	-	16,741	18,434	19,902	19,903	19,903	0	24,708	See Page 7 for further analysis
4132001-D3 Property Taxes-DSF SO Tax	-	589	658	53	-	1,753	1,889	1,822	1,834	2,189	(355)	2,224	9% of RE
4132005-D3 Treasurer Fees-DSF fees	-	(178)	(184)	-	-	(502)	(553)	(597)	(597)	(597)	(0)	(741)	3% RE tax-Collection Fee
4131002-D3 PropTax-DSF RE Backfill	-	-	-	-	-	-			-	-	-	-	
Net DSF Property Taxes	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
42000XX-D3 Real Estate Transfer Fees	-	-	-	-	-	-			-	-	-	-	
44200XX-D3 Development Fees	-	-	-	-	-	-			-	-	-	-	
Total Other Fee Revenue	-	-	-	-	-	-			-	-	-	-	
Total Revenues	-	6,335	6,601	53	-	17,992	19,769	21,127	21,139	21,495	(355)	26,190	
Expenditures													
Intergovernmental													
9300015-D3 DSF Property Tax OUT to D2	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
93000XX-D3 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
93000XX-D3 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Total Expenditures	-	(6,335)	(6,601)	(53)	-	(17,992)	(19,769)	(21,127)	(21,139)	(21,495)	355	(26,190)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	0	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	0	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
District #4-Fund Summary

	District #4												Comments
General Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4141001-D4 Property Taxes-O&M RE Tax	12,048	10,703	10,749	10,803	48,723	49,362	60,401	83,078	79,533	79,533	(0)	83,684	See Page 7 for further analysis
4141002-D4 PropTax-O&M RE Abate	(1,685)	1,685	-	-	-	-	-	(6,263)	6,263	6,263	-	-	
4141003-D4 Property Taxes-O&M SO Tax	1,196	2,178	1,412	1,107	5,115	6,018	6,776	8,221	8,748	8,749	(1)	9,205	11% of RE ('25 incl PersPropReimb \$1,026)
4141005-D4 Treasurer Fees-O&M fees	(311)	(372)	(323)	(324)	(1,462)	(1,481)	(1,812)	(2,412)	(2,604)	(2,386)	(218)	(2,511)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4141007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	2,849	-	-	-	-	2023 Backfill
Total O&M Property Taxes	11,248	14,194	11,838	11,586	52,376	53,899	65,365	85,473	91,939	92,158	(220)	90,379	
4200002-D4 Real Estate Transfer Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4420002-D4 Development Fees	-	-	-	-	-	-	-	-	-	-	-	-	
4600001-D4 Public Improvement Fees (PIF)	-	469	954	905	316	35	16	68	215	15	200	15	PIF 2%
Total Other Fee Revenue	-	469	954	905	316	35	16	68	215	15	200	15	
Total Revenues	11,248	14,663	12,792	12,491	52,692	53,934	65,381	85,541	92,153	92,173	(20)	90,394	
Expenditures													
Intergovernmental													
9300014-D4 O&M Property Tax OUT to D1	(12,636)	(14,194)	(11,838)	(11,586)	(52,376)	(53,899)	(65,365)	(85,473)	(91,939)	(92,158)	220	(90,379)	
9300004-D4 RETF OUT to D1	-	-	-	-	-	-	-	-	-	-	-	-	
9300001-D4 Devel Fees OUT to D2	-	-	-	-	-	-	-	-	-	-	-	-	
9300050-D4 PIF OUT to D1	-	(469)	(954)	(905)	(316)	(35)	(16)	(68)	(215)	(15)	(200)	(15)	
9300015-D4 Intergovt. Non-Cash Adjust w D1	1,388	-	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Total Expenditures	(11,248)	(14,663)	(12,792)	(12,491)	(52,692)	(53,934)	(65,381)	(85,541)	(92,153)	(92,173)	20	(90,394)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

	District #4												
Debt Service Fund	Audited 2017	Audited 2018	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	2025 Revised Projected	2025 Adopted	Variance from Adopted Fav/(UnFav)	2026 Proposed	
Revenues													
4142001-D4-Property Taxes-DSF RE Tax	60,242	53,518	53,749	54,012	60,911	61,703	60,401	69,232	66,277	66,277	(1)	69,737	See Page 7 for further analysis
4142002-D2 PropTax-DSF RE Abatement	(8,426)	8,426	-	-	-	-	-	(5,220)	5,220	5,220	-	-	
4142003-D4-Property Taxes-DSF SO Tax	5,980	5,861	5,810	5,536	6,738	7,523	6,867	6,925	6,818	7,291	(473)	7,671	11% of RE (2025 incl PersPropReimb \$757)
4142005-D4-Treasurer Fees-DSF Fees	240	(1,858)	(1,612)	(1,620)	(1,827)	(1,851)	(1,812)	(1,920)	(2,167)	(2,077)	(90)	(2,077)	3% RE tax-Collect.Fee (on SO/Abate/PPreimb)
4142007-D4 PropTax-O&M RE backfill SB22 & 23	-	-	-	-	-	-	-	-	-	-	-	-	2023 Backfill-Not given for DebtSvc
Total DSF Property Taxes	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Total Revenues	58,036	65,947	57,947	57,928	65,822	67,375	65,456	69,016	76,148	76,711	(563)	75,331	
Expenditures													
Intergovernmental													
9300040-D4 DSF Property Tax OUT to D2	(64,978)	(59,005)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
9300041-D4 InterGovt. Non-Cash Adjust w D2	6,942	(6,942)	-	-	-	-	-	-	-	-	-	-	
Total Intergovernmental Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Total Expenditures	(58,036)	(65,947)	(57,947)	(57,928)	(65,822)	(67,375)	(65,456)	(69,016)	(76,148)	(76,711)	563	(75,331)	
Net Fund Activity	-	-	-	-	-	-	-	-	-	-	(0)	-	
Fund Balance-Beginning of Period	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balance-Ending of Period	-	-	-	-	-	-	-	-	-	-	(0)	-	

Twin Buttes Metropolitan Districts No. 1-4
Revised 2025 and Proposed 2026 Budget
Assessed Valuation and Property Tax Revenue Analysis

Description	District #1	District #2	District #3	District #4-Comm'l	Total	% Inc(Dec)
2015 Assessed Valuation	\$ -	\$ 445,640	\$ 52,870	\$ 1,204,870	\$ 1,703,380	
2016 Assessed Valuation	\$ -	\$ 4,199,420	\$ 28,640	\$ 1,204,830	\$ 5,432,890	219%
2017 Assessed Valuation	\$ 350	\$ 2,054,270	\$ 118,480	\$ 1,070,360	\$ 3,243,460	-40%
2018 Assessed Valuation	\$ 350	\$ 2,291,280	\$ 119,500	\$ 1,075,170	\$ 3,486,300	7%
2019 Assessed Valuation	\$ 370	\$ 4,944,470	\$ 179,210	\$ 1,080,250	\$ 6,204,300	78%
2020 Assessed Valuation	\$ 118,020	\$ 5,100,690	\$ 359,210	\$ 1,218,030	\$ 6,795,950	10%
2021 Assessed Valuation	\$ 118,020	\$ 4,491,230	\$ 334,820	\$ 1,234,060	\$ 6,178,130	-9%
2022 Assessed Valuation	\$ 118,020	\$ 5,570,810	\$ 368,670	\$ 1,208,020	\$ 7,265,520	18%
2023 Assessed Valuation	\$ 130,660	\$ 8,274,500	\$ 398,050	\$ 1,384,630	\$ 10,187,840	40%
2024 Assessed Valuation	130,660	8,327,920	398,050	1,275,300	10,131,930	-1%
2025 Net Change - Additions/(Reductions)	\$ 29,650	\$ 4,807,060	\$ 96,110	\$ 66,570	\$ 4,999,390	
2025 Assessed Valuation (A) as of Dec 1, 2025	\$ 160,310	\$ 13,134,980	\$ 494,160	\$ 1,341,870	\$ 15,131,320	49%
Proposed O&M Mill Rates	-	20.000	20.000	62.364	<<<<<	
Projected O&M Mill Levy Revenues (2026)	\$ -	\$ 262,700	\$ 9,883	\$ 83,684	\$ 356,267	
Proposed Debt Service Mill Rates (B)	-	35.000	50.000	51.970	<<<<<	
Projected Debt Service Mill Levy Revenues (2026)	\$ -	\$ 459,724	\$ 24,708	\$ 69,737	\$ 554,169	

A. Per the revised Certification of Valuation by La Plata County Assessor date 12.01.25

ATTACHMENT 2
2025 Audited Financial Statements
District Nos. 1 - 4

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025



TWIN BUTTES METROPOLITAN DISTRICT NO. 1

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Independent Auditor's Report



Board of Directors
Twin Buttes Metropolitan District No. 1
Durango, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Twin Buttes Metropolitan District No. 1 (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 and the major fund of the District, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 on pages 3 through 6 and the budgetary comparison information on page 23 is 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.

DWC

Grand Junction, Colorado

June 4, 2026

Management's Discussion and Analysis

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the year ended December 31, 2025

As management of the Twin Buttes Metropolitan District No. 1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025 with comparative information presented for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

Financial Highlights

Please refer to the Government-wide Financial Analysis on page 4 of this report.

Net current activity of approximately \$11,000 was an increase from the prior year, increasing the District's Net Position from approximately \$377,900 (restated) to \$389,000. This increase of approximately \$11,000 is primarily attributable to an increase in intergovernmental revenues. The Net Position increased slightly and budgeted 2026 forecasted activity reflects significant positive activity and improving the District's Net Position accordingly.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category; governmental activities. The District's activities are principally supported by charges for services – farm sales, fees and permits, intergovernmental transfers and developer operating subsidies. The government-wide financial statements can be found on pages 7 and 8.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's General Fund is considered a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District presents one governmental fund, the General Fund. The District's General Fund financial statements can be found on pages 9 through 12.

An annual appropriated budget was adopted for the General Fund. A budgetary comparison schedule has been provided on page 23 to demonstrate compliance with the adopted budget.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 13 through 22.

Required Supplementary Information (RSI)

The RSI presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis and budgetary comparison schedule on page 23.

Government-wide Financial Analysis

The following summarizes the District's governmental net position as of December 31:

	2025	2024 (Restated)	Change
Assets			
Current and other assets	\$ 141,092	\$ 140,858	\$ 234
Capital assets, net	409,737	363,824	45,913
Total Assets	550,829	504,682	46,147
Liabilities			
Current liabilities	135,250	126,758	8,492
Long-term liabilities	26,570	-	26,570
Total Liabilities	161,820	126,758	35,062
Net Position			
Net investment in capital assets	375,555	363,824	11,731
Restricted for emergency reserves	15,900	14,100	1,800
Unrestricted	(2,446)	-	(2,446)
Total Net Position	\$ 389,009	\$ 377,924	\$ 11,085

The following summarizes the change in the District's governmental net position for the years ended December 31:

	2025	2024 (Restated)	Change
Revenues			
Program revenues:			
Charges for services – farm sales	\$ 28,763	\$ 30,524	\$ (1,761)
Charges for services – snow removal	4,600	4,800	(200)
Permits and fees	13,100	13,250	(150)
Grant revenue	13,275	-	13,275
General revenues:			
Developer subsidy - revenue	-	22,302	(22,302)
Intergovernmental revenue	423,852	327,564	96,288
Other general revenues	2,516	4,638	(2,122)
Capital contributions	30,338	54,533	(24,195)
Total Revenues	516,444	457,611	58,833
Expenses			
General and administrative	350,168	285,632	64,536
Farm expenses	106,915	97,682	9,233
Property and grounds maintenance	48,959	36,154	12,805
Total Expenses	506,042	419,468	86,574
Other Financing Sources			
Gain on disposal of capital asset	683	-	683
Change in Net Position	11,085	38,143	(27,058)
Net position – January 1 – as previously reported	48,155	52,347	(4,192)
Land improvements – parks adjustment	329,769	287,434	42,335
Net position – January 1 – restated	377,924	339,781	38,143
Net position – December 31 – 2024 restated	\$ 389,009	\$ 377,924	\$ 11,085

Beginning net position for governmental activities was restated during the year ended December 31, 2025 to correct an error related to donated park improvements that had been placed into service in prior years but were not previously capitalized by the District. As a result, prior year capital asset balances, accumulated depreciation, and net position were understated. The restatement increased beginning net position to properly reflect the historical cost and related accumulated depreciation associated with the donated park improvements. See Notes 1 and 6 to the basic financial statements for additional information regarding the prior period adjustment and restatement of prior year balances.

Financial Analysis of Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District has one major governmental fund, the General Fund. The General Fund had a fund balance of \$14,099 as of December 31, 2025, of which \$15,900 is restricted for emergencies.

General Fund Budgetary Highlights

Please refer to the General Fund-Budget and Actual Statement on page 23 of this report.

The fund balance of the District's General Fund remained stable during the year. Activity included \$108,450 of farm-related expenses necessary to maintain the farm operations. Additionally, the District repaid the Developer \$40,556 as a result of sufficient cash flow and increased activity during the current year. This deficit is comparable to both the prior year deficit and the revised budget and is attributable to various factors, including, but not limited to,

- Increased property tax revenues stemming from a growing tax base
- Maintaining operating costs
- Increased real estate activity revenues

Capital Assets

Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Additional information on the District's capital assets can be found in Note 6.

Additionally, as noted above in the Government-wide Financial Analysis section, beginning balances for capital assets have been restated during the current year to reflect park improvements that had been donated and placed into service in prior years but were not previously recorded by the District. See Note 1 to the basic financial statements for additional information regarding the restatement of beginning net position.

Economic Factors and Next Year's Budget

The District's Board adopted next year's budget (2026) which reflects a surplus adequate to repay the Developer back its 2024 and 2025's subsidies and is premised on adequate increases in property tax, real estate activity and farm revenues. Appropriate economic conditions will be necessary to ensure the District's financial activity will be consistent with the Budget.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steven Wilson, 692 Twin Buttes Ave., Durango, CO 81301.

Basic Financial Statements

Government-wide Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

STATEMENT OF NET POSITION

December 31, 2025

ASSETS

Cash	\$	107,008
Accounts receivable		23,398
Intergovernmental receivables		1,805
Developer subsidy receivable		8,881
Capital assets, net of accumulated depreciation and amortization:		
Farm assets		7,975
Vehicles and equipment		2,934
Website		5,200
Capital projects in progress		13,112
Land improvements - parks		346,897
Leased facilities of Developer		33,619
<i>Total Assets</i>		<i>550,829</i>

CURRENT LIABILITIES

Accounts payable		126,044
Accrued expenses		1,594
Current portion of lease liability		7,612
<i>Total Current Liabilities</i>		<i>135,250</i>

LONG-TERM LIABILITIES

Lease liability, net of current portion		26,570
<i>Total Liabilities</i>		<i>161,820</i>

NET POSITION

Net investment in capital assets		375,555
Restricted for emergency reserves		15,900
Unrestricted		(2,446)
<i>Total Net Position</i>	\$	<i>389,009</i>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

GOVERNMENTAL ACTIVITIES:

PROGRAM EXPENSES

General and administrative	\$	350,168
Farm expenses		106,915
Property and grounds maintenance		48,959
<i>Total Program Expenses</i>		506,042

PROGRAM REVENUES

Charges for services - farm sales		28,763
Charges for services - snow removal		4,600
Permits and fees		13,100
Grant revenue		13,275
<i>Net Program Expenses</i>		446,304

GENERAL REVENUES

Intergovernmental revenue		423,852
Capital contributions		30,338
Other general revenue		2,516
<i>Total General Revenues</i>		456,706

OTHER FINANCING SOURCES

Gain on sale of capital asset		683
<i>Total Other Financing Sources</i>		683
<i>Change in Net Position</i>		11,085

Net Position - January 1 - As Previously Reported

Land improvements - parks adjustment (see Note 6)		48,155
		329,769

Net Position - January 1 - Restated

		377,924

Net Position - December 31

	\$	389,009

See accompanying notes.

Fund Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

BALANCE SHEET – GOVERNMENTAL FUND

December 31, 2025

ASSETS

Cash	\$	107,008
Accounts receivable		23,398
Developer subsidy receivable		8,881
Intergovernmental receivables		1,805
<i>Total Assets</i>	\$	141,092

LIABILITIES

Accounts payable	\$	126,044
Accrued expenses		949
<i>Total Liabilities</i>		126,993

FUND BALANCE

Restricted for:		
Emergency reserve		15,900
Unassigned		(1,801)
<i>Total Fund Balance</i>		14,099
<i>Total Liabilities and Fund Balance</i>	\$	141,092

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO THE STATEMENT OF NET POSITION

December 31, 2025

Total Fund Balance - Governmental Fund	\$	14,099
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Fund:		
Cost of capital assets	480,401	
Less accumulated depreciation and amortization	(70,664)	409,737
Lease liability obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
		(34,827)
Total Net Position - Governmental Activities	<u>\$</u>	<u>389,009</u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUND

For the year ended December 31, 2025

REVENUES	
Charges for services - farm sales	\$ 28,763
Charges for services - snow removal	4,600
Permits and fees	13,100
Intergovernmental revenue	423,852
Grant revenue	13,275
Other general revenue	2,516
	<u>Total Revenues</u> 486,106
EXPENDITURES	
General and administrative	343,874
Farm expenses	108,450
Property and grounds maintenance	35,749
Capital outlay	42,024
	<u>Total Expenditures</u> 530,097
	<u>Excess of Expenditures Over Revenue</u> (43,991)
OTHER FINANCING SOURCES	
Lease proceeds	42,024
Proceeds from sale of asset	1,966
	<u>Total Other Financing Sources</u> 43,990
	<u>Net Change in Fund Balance</u> (1)
Fund Balance - January 1	<u>14,100</u>
Fund Balance - December 31	<u><u>\$ 14,099</u></u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF
ACTIVITIES

For the year ended December 31, 2025

Net Change in Fund Balance - Governmental Fund	\$	(1)
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Capital outlays are reported as expenditures in the Governmental Funds; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense:

Depreciation expense		(16,761)
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Principal payments on lease liabilities are reported as expenditures in the Governmental Funds but are reported as reductions of lease liabilities in the Statement of Net Position.

7,842

Amortization of the right-to-use leased office space asset is not reported in the Governmental Funds but is reported as an expense in the Statement of Activities.

(8,405)

Accrued interest on lease liabilities is not reported in the governmental funds, but is reported as an expenditure when due in the Statement of Net Position.

(645)

Proceeds from disposal of capital assets are reported as other financing sources in the Governmental Funds; however, in the Statement of Activities, the proceeds from disposal of capital assets are netted with the net book value of the capital assets disposed resulting in a reported gain or loss on disposal of capital assets:

Net book value of capital asset disposed		(1,283)
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Revenue from donated capital assets are reported as other financing sources in the Governmental Funds but not reported the Statement of Activities.

30,338

Change in Net Position of Governmental Activities

	\$	11,085
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See accompanying notes.

Notes to Basic Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Twin Buttes Metropolitan District No. 1 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below:

Financial Reporting Entity

The Twin Buttes Metropolitan District Nos. 1-4 are political subdivisions of the State of Colorado, formed in 2013 for the purpose of providing the management, implementation, and coordination of the financing, acquisition, completion, and operation of certain public infrastructure and services throughout the Twin Buttes of Durango Development (the Development). The improvements will be for the collective use and benefit of the property owners within, and residents of, the Development. The District will operate and maintain all other improvements within the Development. The District is the managing district and will arrange, control, and coordinate the financing, acquisition, construction, completion and operation of all public infrastructure and services for the Development (see Note 7); however, Twin Buttes Metropolitan District No. 2 (District No. 2) has issued \$10.691 million of debt. Twin Buttes Metropolitan District Nos. 2-4 (District Nos. 2-4) are authorized to collect property taxes and will contain the residential and commercial property of the Development. District Nos. 2 and 4 are authorized to issue bonds. The District is governed by an elected four-member Board of Directors (the Board).

Government-wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities to report information on all of the non-fiduciary activities of the District as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, and liabilities, including capital assets and any long-term liabilities, are included in the accompanying statement of net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions, if any, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues, if any, are reported instead as *general revenues*. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities and appropriate deferred inflows and deferred outflows of resources. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

For the year ended December 31, 2025, the District has one governmental fund, the General Fund, which is the District's primary operating fund that accounts for all financial resources of the District. The General Fund is considered a major fund.

Separate financial statements are provided for the governmental fund.

Measurement Focus and Basis of Accounting

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 expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, if any, are recognized as revenues in the year for which they are levied. Grants and similar items, if any, are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if collected within 60 days after year end. Those revenues associated with the current period susceptible to accrual are charges for services - farm sales and permits and fees. Grant revenues, if any, are recognized as they are earned. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule would include capital outlay which would be recognized when incurred, principal and interest on general long-term debt which would be recognized when due, and compensated absences which would be recognized when the obligations are expected to be liquidated with available financial resources.

Use of Estimates

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

Accounts Receivable

Accounts receivable consist of amounts due from various retail customers from farm and wholesale sales. As of December 31, 2025, management believes all accounts receivable are fully collectible; therefore no allowance for doubtful accounts has been recorded.

As described above, the District is the managing district of the Development and coordinates all financing and operations of the Development. Intergovernmental receivables may arise from inter-district transactions with District Nos. 2-4, and are recorded by all funds affected in the period in which transactions are executed. Intergovernmental receivables as of December 31, 2025 represent operating costs incurred by the District on behalf of District No. 2 that are expected to be repaid and are not related to operating expenses covered by the intergovernmental agreement described in Note 9 that would be included in the District's statement of activities.

Capital Assets

Capital assets are stated at cost and include assets with an estimated useful life of more than one year. Donated assets are recorded at their estimated fair market value at the date of donation. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Capital assets are depreciated using the straight-line method over useful lives of 5 to 25 years.

Effective January 1, 2025, the District early implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*. GASB 104 enhances certain disclosure requirements related to capital assets, including lease assets recognized under GASB Statement No. 87, *Leases* (See Note 6).

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing attributable to the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations on their use due to external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Beginning net position was restated during the year ended December 31, 2025 related to park improvements that had been donated and placed into service in prior years but were not previously capitalized by the District (see Note 6).

Beginning net position, as previously reported	\$ 48,155
Land improvements – parks	352,164
Accumulated depreciation	(22,395)
Beginning net position, restated	<u>\$ 377,924</u>

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have a non-spendable fund balance as of December 31, 2025.

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the Taxpayer's Bill of Rights (TABOR) emergency reserves as being restricted because their use is restricted by Colorado State Statute.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2025.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. As of December 31, 2025, the District did not have any assigned fund balance.
- **Unassigned:** This classification includes the residual fund balance for the General Fund.

The District would typically use committed resources first and then assigned resources as appropriate opportunities arise, but the District reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Leases

The District accounts for leases in accordance with GASB Statement No. 87, *Leases* (GASB 87). GASB 87 established a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under GASB 87, for all leases other than short-term leases, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District leases office space from the Developer (see Note 8) and the District also leases land for farm activities from another lessor. Certain of the District's leases extend beyond one year and are not considered short-term leases under GASB 87. Accordingly, the District recognizes a lease liability and an intangible right-to-use asset, classified as a capital asset, for these leases. The lease liability is initially measured at the present value of payments expected to be made during the lease term, and the right-to-use asset is initially measured at the amount of the lease liability. The lease liability is subsequently reduced by lease payments made and increased by interest expense, while the right-to-use asset is amortized on a straight-line basis over the term of the lease. The District uses its estimated incremental borrowing rate to discount lease payments unless the interest rate implicit in the lease is readily determinable. Lease agreements with a term of 12 months or less are considered short-term leases, and the District recognizes short-term lease payments as lease expense based on the payment provisions of the lease agreement in accordance with GASB 87. During the year ended December 31, 2025, the District recognized lease expense from short-term leases of \$120.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between *fund balance* of the *governmental fund* and *net position of governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balance* of the *governmental fund* and the *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, Taxpayer Bill of Rights, commonly known as TABOR, which has several limitations including revenue raising, spending abilities, debt limitations, and other specific requirements of state and local governments. Future spending and revenue limits are determined based on the year's 'fiscal year spending,' adjusted for allowable increases based upon information and local growth. An election was held in November 2013 and voters approved a measure to allow the District to keep and retain all revenues, including grants, in excess of the fiscal year spending limit. TABOR also requires a reserve of 3% of the District's fiscal year spending, excluding bonded debt service. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. As of December 31, 2025, \$15,900 of the District's governmental fund balance is classified as restricted for an emergency reserve.

NOTE 4 - BUDGETS

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. The District amended its originally adopted 2025 budget. The District expended \$42,253 more than was appropriated in the General Fund primary due to the fact that farm expenses exceeded budgeted amounts, a reduction in developer subsidy revenues, and the acquisition of a leased asset for which the related capital outlay expenditure was not included in the budget. The capital outlay was substantially offset by \$42,024 of lease proceeds received during the year. After considering the lease proceeds, the net excess of expenditures over appropriations was \$229. This may also constitute a violation of state budget law.
- F. Budget appropriations lapse at the end of each year.
- G. Budgets are adopted on the modified accrual basis of accounting.

NOTE 5 - DEPOSITS

The Colorado Public Deposit Protection Act (PDPA) governs the District’s deposits. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal deposit insurance through the Federal Deposit Insurance Corporation (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to 102% of the uninsured deposits. The Colorado Division of Banking for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the carrying amount of the District’s deposits with maturities less than one year consisted of the following:

	Bank Balance	Carrying Amount
Cash in checking accounts	\$ 118,986	\$ 107,008

At December 31, 2025, the entire bank balance was insured by the FDIC.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank or investment pool failure, the District would not be able to recover its deposits or the value of its investments. The District’s deposits and investments are not deemed to be subject to custodial credit risk as they are covered by federal depository insurance or are collateralized under PDPA.

Concentrations of Credit Risk – Deposits

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer or institution. The District holds 100% of its cash deposits in one financial institution.

NOTE 6 - CAPITAL ASSETS

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

	Balance December 31, 2024 (Restated)	Increases	Decreases	Balance December 31, 2025
Non-depreciable capital assets				
Capital projects in progress	\$ 13,112	\$ -	\$ -	\$ 13,112
<i>Total non-depreciable capital assets</i>	<u>13,112</u>	<u>-</u>	<u>-</u>	<u>13,112</u>
Depreciable capital assets				
Farm assets	19,250	-	-	19,250
Website	9,600	-	-	9,600
Vehicles and equipment	19,413	-	(5,500)	13,913
Land improvements – parks	352,164	30,338	-	382,502
Leased facilities of Developer	-	42,024	-	42,024
<i>Total depreciable capital assets</i>	<u>400,427</u>	<u>72,362</u>	<u>(5,500)</u>	<u>467,289</u>
<i>Total capital assets</i>	<u>413,539</u>	<u>72,362</u>	<u>(5,500)</u>	<u>480,401</u>
Less accumulated depreciation for:				
Farm assets	(10,357)	(918)	-	(11,275)
Website	(3,440)	(960)	-	(4,400)
Vehicles and equipment	(13,523)	(1,673)	4,217	(10,979)
Land improvements – park	(22,395)	(13,210)	-	(35,605)
Leased facilities of Developer	-	(8,405)	-	(8,405)
<i>Total accumulated depreciation</i>	<u>(49,715)</u>	<u>(25,166)</u>	<u>4,217</u>	<u>(70,664)</u>
<i>Total capital assets, net depreciation</i>	<u>\$ 363,824</u>	<u>\$ 47,196</u>	<u>\$ (1,283)</u>	<u>\$ 409,737</u>

Depreciation expense of \$2,591 and \$13,210 was charged to the farm and property and grounds maintenance functions/programs of the District, respectfully. In addition, and depreciation expense and lease asset amortization expense of \$9,365 was charged to the general and administrative function/program of the District for the year ended December 31, 2025.

Beginning balances for capital assets have been restated during the current year to reflect park improvements that had been donated and placed into service in prior years but were not previously recorded by the District. See Note 1 for additional information regarding the restatement of beginning net position.

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of changes in the District's long-term liabilities for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Lease liability	\$ -	\$ 42,024	\$ (7,842)	\$ 34,182	\$ 7,612
<i>Long-term liabilities</i>	<u>\$ -</u>	<u>\$ 42,024</u>	<u>\$ (7,842)</u>	<u>\$ 34,182</u>	<u>\$ 7,612</u>

NOTE 8 - LEASES

The District leases for the right to use the facilities of the Developer at an annual cost of \$9,200 to be paid in quarterly lease payments of \$2,300 per quarter as part of a shared resource agreement. The District recognizes a lease liability and an intangible right-to-use asset, classified as a capitalized asset (see Note 6), in the government-wide financial statements. The lease liability was initially measured at the present value of lease payments expected to be made over the lease term using the District's estimated incremental borrowing rate of 7.50%.

Lease payments are fixed at \$2,495 per quarter, or \$9,980 annually. The lease liability is subsequently reduced by lease payments made and increased by interest expense. The lease asset is amortized on a straight-line basis over the term of the lease. As of December 31, 2025, the District reported a lease liability of \$34,182.

For the year ended December 31, 2025, the District recognized the following expenses related to leases:

Lease Expense

Amortization expenses by class of underlying asset

Leased facilities of Developer		\$ 8,405
	<i>Total amortization expense</i>	8,405
Interest on lease liability		2,783
	<i>Total Lease Expense</i>	\$ 11,188

Remaining principal and interest payments on leases are as follows:

	Principal	Interest	Total Payments
2026	\$ 7,612	\$ 2,368	\$ 9,980
2027	8,203	1,777	9,980
2028	8,840	1,140	9,980
2029	9,527	453	9,980
<i>Total Future Principal and Interest Payments</i>	<u>\$ 34,182</u>	<u>\$ 5,738</u>	<u>\$ 39,920</u>

NOTE 9 - INTERGOVERNMENTAL AGREEMENT

Effective June 1, 2020, the District and District Nos. 2-4 entered into amended intergovernmental financing agreements for the purpose of jointly financing the costs of any public improvements, facilities, systems, programs, or projects which the districts may provide, or for the purpose of providing for the operations and maintenance of the districts and their facilities and properties. According to the agreements, certain administrative costs directly associated with District Nos. 2-4 are considered obligations of the District. When property tax revenues are received by District Nos. 2-4, intergovernmental revenues and expenditures will be recognized to transfer the tax revenue to the District to assist in the payment of these costs. Future transfers of tax revenue may be in excess of actual costs paid by the District on behalf of District Nos. 2-4. For the year ended December 31, 2025, activities of District Nos. 1-4 were as follows:

	District No. 1	District No. 2	District No. 3	District No. 4	Total
Program expenses	\$ (506,042)	\$ (1,287,425)	\$ (30,433)	\$ (173,761)	\$ (1,997,661)
Program revenues	59,738	142,396	-	-	202,134
General revenues	456,706	759,272	30,433	173,761	1,420,172
Other financing sources (uses)	683	(5,287,044)	-	-	(5,286,361)
<i>Change in net position</i>	<u>\$ 11,085</u>	<u>\$ (5,672,801)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,661,716)</u>

NOTE 10 - RELATED PARTY TRANSACTIONS

The Developer pays certain costs on behalf of the District which are billed to the District quarterly. As of December 31, 2025, the Developer incurred \$98,124 of costs on behalf of the District which is included in accounts payable.

The District utilizes certain personnel, facilities, and equipment (the Shared Resources) of the Developer for operation of the District. The District entered into a shared resources agreement (the Shared Resources Agreement) with the Developer, effective January 1, 2025, for the continued future use of the Shared Resources by the District along with the associated cost for use of the Shared Resources. The Shared Resources Agreement automatically renews on January 1st of each year starting January 1, 2026 unless terminated by either party.

Regarding personnel, under the Shared Resources Agreement, the District will be responsible for \$67,000 per year for use of the Developer's chief financial officer acting as the district manager of the District. The District will also be responsible for the utilization of the Developer's secretary and staff accountant based on actual hours worked at current compensation rates plus associated labor burden.

Regarding property maintenance and equipment, under the Shared Resources Agreement, the District will be charged various hourly rates based on the type of labor or equipment of the Developer that is utilized by the District.

Regarding facilities, the Shared Resources Agreement contains an embedded lease for the right to use the administrative, accounting, farm, and shop facilities of the Developer at an annual cost of \$9,980 to be paid in quarterly lease payments of \$2,495 per quarter. See Note 8 for discussion regarding the lease terms and future payment obligations.

As described in Note 1, the Districts' Board is predominately composed of the same members as the Board of District Nos. 2-4.

The contract accountant for the District also provides accounting services to the Developer.

NOTE 11 - ECONOMIC DEPENDENCY

Pursuant to the Intergovernmental Agreements referred to in Note 7, the District relies on certain revenues from District Nos. 2-4 to cover the combined operating costs of all the districts. At times, the District has partially relied on Developer subsidies stemming from the Operation Funding Agreement that was executed in November 2013 and amended on March 27, 2023 (see Note 10). This agreement obligates the Developer to subsidize revenue shortfalls of the District.

NOTE 12 - CONTINGENT LIABILITIES

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by the District's participation in a special district funded pool. Settled claims have not exceeded this commercial coverage in the past year.

Developer Subsidy Repayment

In November 2013, the District signed an Operation Funding Agreement (the Agreement) with the Developer. The Agreement provided for payment of operating subsidies to the District from the Developer to pay the costs of any management, operating and administrative expenses. The subsidies paid by the Developer to the District prior to the date of the Agreement are considered advanced funds. The subsidies become reimbursable to the Developer from the District once revenue, which is not otherwise appropriated, obligated, pledged or reserved for any current or future purpose in any fiscal year, becomes available. Through December 31, 2021, the District had received \$1,067,845 of operating subsidies from the Developer. Under the Agreement, the District, from such available sources and at its sole discretion, would reimburse the Developer for the subsidies, together with a simple interest rate of 7% per year. On March 27, 2023 the Agreement was amended retroactively, effective as of December 31, 2021, to eliminate certain farm operating deficits, remove the applicable interest related to the farm deficits, and suspend interest permanently. The adjusted balance to be reimbursed to the Developer under the Agreement, as amended, is \$1,121,151, consisting of \$730,185 in adjusted subsidies from the Developer plus simple interest at 7% per annum accrued thereon of \$390,966. Under the Agreement, as amended, the District has agreed to make good faith efforts to appropriate funds to reimburse the Developer the adjusted balance of \$1,121,151 over a term of twenty years, which equates to an average of approximately \$50,000 per year with an interest rate of 0%, providing that the District has adequate revenue to make the appropriation. An accrued liability of \$1,121,151 for the repayment of the operating subsidies is not recorded by the District as of December 31, 2025, because the District had no available revenue that was not otherwise appropriated, obligated, pledged, or reserved. As part of the Agreement, the Developer agreed to waive \$337,660 in prior subsidies provided by the Developer to the District to cover farm losses along with interest accrued on these prior subsidies of \$57,381 for a total amount waived by the Developer of \$395,041.

Required Supplemental Information

TWIN BUTTES METROPOLITAN DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Charges for services - farm sales	\$ 39,000	\$ 28,294	\$ 28,763	\$ 469
Charges for services - snow removal	4,800	4,640	4,600	(40)
Permits and fees	15,000	13,000	13,100	100
Intergovernmental revenue	453,107	427,406	423,852	(3,554)
Grant revenue	-	13,278	13,275	(3)
Other general revenue	3,600	2,727	2,516	(211)
<i>Total Revenues</i>	<u>515,507</u>	<u>489,345</u>	<u>486,106</u>	<u>(3,239)</u>
EXPENDITURES				
General and administrative	307,754	349,266	343,874	5,392
Farm expenses	95,329	96,751	108,450	(11,699)
Property and grounds maintenance	27,500	36,827	35,749	1,078
Contingency	15,000	5,000	-	5,000
Capital outlay	-	-	42,024	(42,024)
<i>Total Expenditures</i>	<u>445,583</u>	<u>487,844</u>	<u>530,097</u>	<u>(42,253)</u>
<i>Excess of Expenditures Over Revenues</i>	69,924	1,501	(43,991)	(45,492)
OTHER FINANCING SOURCES				
Lease proceeds	-	-	42,024	42,024
Proceeds from sale of asset	-	1,966	1,966	-
<i>Net Change in Fund Balance</i>	<u>\$ 69,924</u>	<u>\$ 3,467</u>	<u>(1)</u>	<u>\$ (3,468)</u>
Fund Balance - January 1			<u>14,100</u>	
Fund Balance - December 31			<u>\$ 14,099</u>	

See accompanying notes and independent auditor's report.

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025



TWIN BUTTES METROPOLITAN DISTRICT NO. 2

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Independent Auditor's Report



Board of Directors
Twin Buttes Metropolitan District No. 2
Durango, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of the Twin Buttes Metropolitan District No. 2 (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 and the major funds of the District, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 on pages 4 through 8 and the budgetary comparison information on page 27 is 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information for the Debt Service Fund on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Grand Junction, Colorado

June 4, 2026

Management's Discussion and Analysis

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the year ended December 31, 2025

As management of the Twin Buttes Metropolitan District No. 2 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025, with comparative information presented for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

Financial Highlights

- In the government-wide financial statements, the District's liabilities and deferred inflows exceeded its assets by \$10,238,989 at December 31, 2025.
- The District's net revenues were \$5,672,801 lower than expenses for the year ended December 31, 2025, primarily due to issuance costs related to the 2025 bonds.
- The General Fund reported no ending fund balance at December 31, 2025 and 2024 as expected, per the intergovernmental agreement between Districts No. 1 - 4 as all revenues are routinely transferred to District No. 1 to fund operations.
- The Debt Service Fund reported an ending fund balance of \$416,610 at December 31, 2025 and an ending fund balance of \$328,815 at December 31, 2024, the full amounts of which is restricted for debt service.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category; governmental activities. The District's activities are principally supported by property taxes, fees, and intergovernmental transfers.

The government-wide financial statements can be found on pages 9 and 10.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are all considered governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District presents two governmental funds; the General Fund and the Debt Service Fund. The District's governmental funds financial statements can be found on pages 11 through 14.

An annual appropriated budget was adopted for the funds. Budgetary comparison schedules have been provided on pages 27 and 28 to demonstrate compliance with the adopted budgets.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 15 through 26.

Required Supplementary Information (RSI)

The RSI presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis and general fund budgetary comparison schedule on page 27.

Government-wide Financial Analysis

The following summarizes the District's governmental net position as of December 31:

	2025	2024	Change
Assets			
Current and other assets	\$ 1,140,107	\$ 911,769	\$ 228,338
Capital assets, net	-	5,287,044	(5,287,044)
Total Assets	1,140,107	6,198,813	(5,058,706)
Liabilities			
Current liabilities	35,087	2,018,862	(1,983,775)
Future obligations	10,621,585	8,163,185	2,548,400
Total Liabilities	10,656,672	10,182,047	474,625
Deferred Inflows of Resources			
Property tax revenue	722,424	582,954	139,470
Total Deferred Inflows of Resources	722,424	582,954	139,470
Net Position			
Net investment in capital assets	(10,621,585)	(3,021,141)	(7,600,444)
Restricted	426,310	336,015	90,295
Unrestricted	(43,714)	(1,881,062)	1,837,348
Total Net Position	\$ (10,238,989)	\$ (4,566,188)	\$ (5,672,801)

The following summarizes the change in the District's governmental net position for the years ended December 31:

	2025	2024	Change
Revenues			
Program revenues:			
Permits and fees	\$ 142,396	\$ 50,737	\$ 91,659
General revenues:			
Taxes	636,415	637,618	(1,203)
Intergovernmental revenue	97,319	90,143	7,176
Earnings on deposits and investments	25,538	29,130	(3,592)
Total Revenues	901,668	807,628	94,040
Expenses			
Treasurer's fees	17,489	17,570	(81)
Bond trustee's fee	3,500	7,000	(3,500)
Intergovernmental expenses	322,585	233,016	89,569
Interest	630,901	580,633	50,268
Bond issuance costs	312,950	-	312,950
Total Expenses	1,287,425	838,219	449,206
Other Financing Sources (Uses)			
Transfer of development infrastructure assets to City of Durango	(5,287,044)	-	(5,287,044)
Change in Net Position	(5,672,801)	(30,591)	(5,642,210)
Net position – January 1	(4,566,188)	(4,535,597)	(30,591)
Net position – December 31	\$ (10,238,989)	\$ (4,566,188)	\$ (5,672,801)

The District's net position decreased by approximately \$5.7 million during 2025, primarily due to the transfer of public infrastructure improvements to the City of Durango following the City's acceptance of Filing 1B on December 19, 2025. As part of the transfer, approximately \$5.3 million of construction in progress was removed from the District's capital asset balances, resulting in a significant decrease in capital assets and the recognition of a related transfer in the statement of activities during the year. See Note 6 in the notes to the basic financial statements for further disclosure of this transaction. Additionally, the District issued new debt during 2025 to refund prior outstanding bonds, increasing future obligations by approximately \$2.5 million. See Note 7 in the notes to the basic financial

statements for further disclosure of the issuance of new debt to refund prior outstanding bonds. The increase in outstanding debt combined with the reduction in capital assets caused net investment in capital assets to decrease significantly compared to the prior year, ultimately decreasing overall net position.

Mill Levy and Debt

Total authorized mill levy and total authorized and outstanding debt consists of the following as of December 31, 2025:

	General	Debt	Total
Authorized Mill Levy	20.00	35.00	55.00
Debt Authorized	Debt Outstanding		
\$37,250,000	\$10,690,792		

Financial Analysis of Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District has two major governmental funds, the General Fund and the Debt Service Fund. The General Fund has an ending fund balance of \$0 as of December 31, 2025, with \$9,700 restricted for emergencies. There is no unassigned portion of the fund balance available for general spending. The Debt Service Fund had a fund balance of \$416,610 as of December 31, 2025, the entire amount of which is restricted for debt service.

Budgetary Highlights

General Fund

Continued improvement in the tax base increased revenue and, in turn, increased intergovernmental transfer revenues (to District No. 1) as well as expanded debt service funding accordingly. The property tax base improved primarily as a result of it being a reassessment year.

Debt Service Fund

Gross property and specific ownership tax revenues of approximately \$454,582 increased by \$3,747 from prior year for reasons stated above.

Capital Assets

Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Additional information on the District's capital assets can be found in Note 6.

Future Obligations

On December 10, 2025, the District issued \$10,000,000 of the Series 2025 Bonds to pay off the remaining principal balances of the Series 2016A Bonds and 2016B Bonds. Additionally, on December 10, 2025, the District entered into a special revenue promissory note in the original amount of \$690,792 with the Developer to pay a portion of accrued interest on the Series 2018B Bonds. See Note 7 of the notes to the basic financial statements for more information on these transactions.

Future Obligations at Year End			
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>Increase (Decrease)</u>
Tax Supported Revenue Bonds Series 2016A (Series 2016A Bonds)	\$ -	\$ 3,870,000	\$ (3,870,000)
Tax Supported Revenue Bonds Series 2018B (Series 2018B Bonds)	-	4,490,000	(4,490,000)
Tax Supported Revenue Bonds Series 2025 (Series 2025 Bonds)	10,000,000	-	10,000,000
Special Revenue Promissory Note (Promissory Note)	<u>690,792</u>	<u>-</u>	<u>690,792</u>
<i>Total Future Obligations</i>	<u>\$ 10,690,792</u>	<u>\$ 8,360,000</u>	<u>\$ 2,330,792</u>

Economic Factors and Next Year's Budget

Forecasted tax base increase combined with buildout will allow the District's financial activity to improve, allowing greater funding amounts to District No. 1 to fund operations and increasing coverage of the District's debt load.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steven Wilson, 692 Twin Buttes Ave., Durango, CO 81301.

Basic Financial Statements

Government-wide Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

STATEMENT OF NET POSITION

December 31, 2025

ASSETS		
Cash	\$	4,137
Restricted investments		409,235
Property taxes receivable		722,424
Specific ownership taxes receivable		4,311
	<i>Total Assets</i>	<u>1,140,107</u>
LIABILITIES		
Accrued interest payable		34,014
Intergovernmental payables		1,073
Future obligations:		
Due after one year, net of unamortized discounts		10,621,585
	<i>Total Liabilities</i>	<u>10,656,672</u>
DEFERRED INFLOWS OF RESOURCES		
Property tax revenue		722,424
	<i>Total Deferred Inflows of Resources</i>	<u>722,424</u>
NET POSITION		
Net investment in capital assets		(10,621,585)
Restricted for:		
Debt service		416,610
Emergency reserve		9,700
Unrestricted		(43,714)
	<i>Total Net Position</i>	<u>\$ (10,238,989)</u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

GOVERNMENTAL ACTIVITIES:

PROGRAM EXPENSES

Treasurer's fees	\$ 17,489
Bond trustee's fees	3,500
Intergovernmental expenses	322,585
Interest	630,901
Bond issuance costs	312,950
<i>Total Program Expenses</i>	<u>1,287,425</u>

PROGRAM REVENUES

Permits and fees	142,396
<i>Net Program Expenses</i>	<u>1,145,029</u>

GENERAL REVENUES

Taxes:	
Property taxes	582,954
Specific ownership taxes	53,461
Intergovernmental revenue	97,319
Earnings on deposits and investments	25,538
<i>Total General Revenues</i>	<u>759,272</u>

OTHER FINANCING SOURCES (USES)

Transfer of development infrastructure assets to City of Durango	(5,287,044)
<i>Total Other Financing Sources (Uses)</i>	<u>(5,287,044)</u>
<i>Change in Net Position</i>	(5,672,801)
Net Position - January 1	<u>(4,566,188)</u>
Net Position - December 31	<u><u>\$ (10,238,989)</u></u>

See accompanying notes.

Fund Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

BALANCE SHEET – GOVERNMENTAL FUNDS

December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash	\$ -	\$ 4,137	\$ 4,137
Restricted investments	-	409,235	409,235
Property taxes receivable	262,700	459,724	722,424
Specific ownership taxes receivable	1,073	3,238	4,311
<i>Total Assets</i>	<u><u>\$ 263,773</u></u>	<u><u>\$ 876,334</u></u>	<u><u>\$ 1,140,107</u></u>
LIABILITIES			
Intergovernmental payables	\$ 1,073	\$ -	\$ 1,073
<i>Total Liabilities</i>	<u>1,073</u>	<u>-</u>	<u>1,073</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	262,700	459,724	722,424
<i>Total Deferred Inflows of Resources</i>	<u>262,700</u>	<u>459,724</u>	<u>722,424</u>
FUND BALANCE			
Restricted for:			
Debt service	-	416,610	416,610
Emergency reserve	9,700	-	9,700
Unassigned	(9,700)	-	(9,700)
<i>Total Fund Balance</i>	<u>-</u>	<u>416,610</u>	<u>416,610</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u><u>\$ 263,773</u></u>	<u><u>\$ 876,334</u></u>	<u><u>\$ 1,140,107</u></u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2025

Total Fund Balance - Governmental Funds	\$ 416,610
Long-term debt obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(10,690,792)
Original bond issue discount is reported as an other financing source netted with related bond proceeds in the governmental funds when first issued, but is deferred and amortized in the Statement of Net Position.	69,207
Accrued interest on debt obligations is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(34,014)
Total Net Position - Governmental Activities	<u><u>\$(10,238,989)</u></u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS

For the year ended December 31, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes:			
Property taxes	\$ 166,558	\$ 416,396	\$ 582,954
Specific ownership taxes	15,275	38,186	53,461
Permits and fees	142,396	-	142,396
Intergovernmental revenue	-	97,319	97,319
Earnings on deposits and investments	-	25,538	25,538
<i>Total Revenues</i>	<u>324,229</u>	<u>577,439</u>	<u>901,668</u>
EXPENDITURES			
Treasurer's fees	4,997	12,492	17,489
Bond trustee's fee	-	3,500	3,500
Intergovernmental expenditures	310,232	12,353	322,585
Debt service			
Principal	-	8,360,000	8,360,000
Interest	-	1,168,741	1,168,741
Bond issuance costs	-	312,950	312,950
<i>Total Expenditures</i>	<u>315,229</u>	<u>9,870,036</u>	<u>10,185,265</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>9,000</u>	<u>(9,292,597)</u>	<u>(9,283,597)</u>
OTHER FINANCING SOURCES (USES)			
Bond issuance proceeds	-	9,930,600	9,930,600
Promissory note proceeds	-	690,792	690,792
Payment to bond escrow agent	-	(1,250,000)	(1,250,000)
Transfers in	-	9,000	9,000
Transfers out	(9,000)	-	(9,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(9,000)</u>	<u>9,380,392</u>	<u>9,371,392</u>
<i>Net Change in Fund Balance</i>	-	87,795	87,795
Fund Balance - January 1	-	328,815	328,815
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 416,610</u>	<u>\$ 416,610</u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

Net Change in Fund Balance - Total Governmental Funds	\$ 87,795
Amortization of bond discounts is recorded in the Statement of Activities, but not on the governmental funds.	(52,008)
Accrued interest on debt obligations is not reported in the governmental funds, but is reported as an expenditure when due in the Statement of Net Position.	589,848
Principal payments on long-term debt are reported as an expenditure in the governmental funds, but are reported as a reduction to a liability in the Statement of Net Position.	8,360,000
Proceeds from the issuance of bonds are recognized as other financing sources in the governmental funds, but are reported as a liability in the Statement of Net Position.	(9,930,600)
Proceeds from the issuance of a promissory note are recognized as other financing sources in the governmental funds, but are reported as a liability in the Statement of Net Position.	(690,792)
Payments to an escrow agent are reported as other financing uses in the governmental funds; however, in the government-wide statements, these payments result in the defeasance of debt and are not reported as an expense.	1,250,000
Fixed assets transferred to another government are not reported in the governmental funds, but are reported as an intergovernmental transfer in the Statement of Activities.	(5,287,044)
Change in Net Position of Governmental Activities	<u>\$ (5,672,801)</u>

See accompanying notes.

Notes to Basic Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Twin Buttes Metropolitan District No. 2 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's more significant accounting policies are described below:

Financial Reporting Entity

The Twin Buttes Metropolitan District Nos. 1-4 are political subdivisions of the State of Colorado, formed in 2013 for the purpose of providing the management, implementation, and coordination of the financing, acquisition, completion, and operation of certain public infrastructure and services throughout the Twin Buttes of Durango Development (the Development). The improvements will be for the collective use and benefit of the property owners within, and residents of, the Development. The District's purpose is to issue and service the bonds and assess property taxes to assist with the financing of the Development. Twin Buttes Metropolitan District No. 1 (District No. 1) is the managing district and will arrange, control, and coordinate the financing, acquisition, construction, completion and operation of all public infrastructure and services for the Development (see Note 8). Twin Buttes Metropolitan District Nos. 3-4 (District No. 3 and District No. 4) collect property taxes, a portion of which are pledged for the repayment of the bonds, and will contain the residential and commercial property of the Development. District No. 4 is also authorized to issue bonds. The District is governed by an elected four-member Board of Directors (the Board).

Government-wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities to report information on all of the non-fiduciary activities of the District as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, and liabilities, including capital assets, and any long-term liabilities, and deferred inflows of resources are included in the accompanying statement of net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Program revenues* include 1) Permit and fee charges on real estate transactions, and 2) grants and contributions, if any, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*. The District receives intergovernmental revenue from District No. 3 and District No. 4 in the form of property taxes that are pledged for the repayment of the bonds. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows and deferred outflows of resources. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

For the year ended December 31, 2025, the District has two governmental funds, the General Fund, which is the District's primary operating fund that accounts for all financial resources of the District, except those required to be accounted for in another fund; and the Debt Service Fund, which is the fund that accounts for principal and interest payments on outstanding bonds of the District. Both funds are considered major funds.

Separate financial statements are provided for governmental funds.

Measurement Focus and Basis of Accounting

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 expenditures 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, if any, are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if collected within 60 days after year end. Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue and permits and fees. Grant revenues, if any, are recognized as they are earned. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with available financial resources.

Use of Estimates

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

Restricted Investments

Certain debt proceeds of the District's Debt Service Fund were invested and are classified as restricted on the balance sheet because their use is limited by applicable bond covenants (see Note 7). The District's invested funds are invested in a local government investment pool and are reported at fair value (see Note 5).

Property Taxes

Property taxes for the current year are levied in December of the previous year and attach as a lien on property on January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in 2025 are reported as a receivable and deferred inflow of resources at December 31. The deferred taxes are reported as revenue in the year in which the lien attaches and they are available and collectible.

Capital Assets

Capital assets are stated at cost and include assets with an estimated useful life of more than one year. Donated assets are recorded at their estimated fair market value at the date of donation. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Construction in process is not depreciated.

Intergovernmental Payables

As described earlier, the District was established to issue and service bonds and to collect property taxes to assist with general operations of the Development. Intergovernmental payables arise from inter-district transactions with Twin Buttes Metropolitan District Nos. 1, 3, and 4, and are recorded by all funds affected in the period in which the transactions are executed. Intergovernmental payables as of December 31, 2025 represent operating costs incurred by District No. 1 that the District is required to reimburse.

Future Obligations

In the government-wide financial statements, future obligations represent bond obligations and are reported as liabilities in the statement of net position. Bond issuance discounts are deferred and amortized over the life of the related bonds using the straight-line method. Bond obligations payable are reported net of the applicable bond discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as program expenses in the year incurred.

Deferred Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a statement of financial position to include:

- Assets – resources with a present service capacity under District control.
- Deferred Outflows of Resources – consumption of net position by the District that is applicable to a future reporting period. The District had no deferred outflows of resources as of December 31, 2025.
- Liabilities – present obligations to sacrifice resources.
- Deferred Inflows of Resources – acquisitions of net position by the District that is applicable to a future reporting period.
- Net Position – residual of all other elements presented in a statement of financial position.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows of resources. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing attributable to the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations on their use due to external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any non-spendable resources as of December 31, 2025.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the Taxpayer's Bill of Rights (TABOR) emergency reserves as being restricted because their use is restricted by State Statute. The District has classified the amount restricted for payment of debt service as being restricted because its use is restricted by the financial institution with which the District has a revenue bond.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2025.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. The District did not have any assigned resources as of December 31, 2025.
- **Unassigned:** This classification includes the residual fund balance for the General Fund.

The District would typically use committed resources first and then assigned resources as appropriate opportunities arise, but the District reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between *fund balance* of the *governmental fund* and *net position of governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between the *net change in fund balance* of the *governmental fund* and the *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, Taxpayer Bill of Rights, commonly known as TABOR, which has several limitations including revenue raising, spending abilities, debt limitations, and other specific requirements of state and local governments. Future spending and revenue limits are determined based on the year's 'fiscal year spending,' adjusted for allowable increases based upon information and local growth. An election was held in November 2013 and voters approved a measure to allow the District to keep and retain all revenues, including grants, in excess of the fiscal year spending limit. TABOR also requires a reserve of 3% of the District's fiscal year spending, excluding bonded debt service. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. As of December 31, 2025, \$9,700 of the District's governmental fund balance is classified as restricted for emergency reserve.

NOTE 4 - BUDGETS

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. The District amended its originally adopted 2025 budget. The District expended less than was appropriated during the year ended December 31, 2025 in the General Fund.
- F. Budget appropriations lapse at the end of each year.
- G. Budgets are adopted on the modified accrual basis of accounting.

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA) governs the District’s deposits. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal deposit insurance through the Federal Deposit Insurance Corporation (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to 102% of the uninsured deposits. The Colorado Division of Banking for banks, savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the carrying amount of the District’s deposits with maturities less than one year consisted of the following:

	Bank Balance	Carrying Amount
Cash in checking accounts	\$ 4,137	\$ 4,137

At December 31, 2025, the entire bank balance was insured by the FDIC.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank or investment pool failure, the District would not be able to recover its deposits. The District’s deposits are not deemed to be subject to custodial credit risk as they are covered by the FDIC or are collateralized under PDPA.

Concentrations of Credit Risk – Deposits

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer or institution. The District holds 100% of its cash deposits in one financial institution.

Investments

Colorado state statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including:

- 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
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Certificates of deposit

The District has no investment policy that would further limit its investment choices.

As of December 31, 2025, the District had the following investments:

Description	Credit Quality Rating	Maturity	Fair Value
		Weighted Average Days of 24 (to Reset)	
COLOTRUST Prime	AAAm		\$ 409,235

At December 31, 2025, the District had funds invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool established for local government entities in Colorado to pool surplus funds. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, Section 6. COLOTRUST currently offers three portfolios: (1) COLOTRUST PRIME, (2) COLOTRUST PLUS+, and (3) COLOTRUST EDGE.

The District’s funds invested in COLOTRUST are invested in COLOTRUST PRIME. COLOTRUST PRIME operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST PRIME may invest in U.S. Treasury and Agency securities, the highest rated commercial paper and repurchase agreements collateralized by U.S. Treasury and Agency securities. A designated custodial bank serves as custodian for COLOTRUST’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for COLOTRUST’s portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records identify the investments owned by the participating governments. COLOTRUST PRIME is rated AAAm by Standard and Poor’s and had a weight average days to maturity (to reset) of 24 as of December 31, 2025. The annual report including the audited financial statements of COLOTRUST PRIME may be obtained on their website at www.colotrust.com.

The District records its investment in COLOTRUST PRIME at fair value as determined by net asset value as a practical expedient.

Interest Rate Risk – Investments

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board. The Board has not adopted an investment policy that allows investment maturities greater than five years.

Credit Risk – Investments

State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentrations of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer or institution. State statutes do not limit the amount the City may invest in a single issuer of investment securities, except for corporate securities. The District holds 100% of its investments in the COLOTRUST PRIME local government investment pool.

NOTE 6 - CAPITAL ASSETS

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

	Balance December 31, 2024	Increases	Decreases	Balance December 31, 2025
Non-depreciable capital assets				
Construction in process - infrastructure	\$ 5,287,044	\$ -	\$ (5,287,044)	\$ -
<i>Total non-depreciable capital assets</i>	<u>\$ 5,287,044</u>	<u>\$ -</u>	<u>\$ (5,287,044)</u>	<u>\$ -</u>

The District issued bonds in 2016 and 2018 to finance the acquisition and construction of public infrastructure improvements from the Developer (see (Note 7). In accordance with the related bond documents and agreements, the infrastructure improvements were required to remain under ownership of the District until formally accepted by the City of Durango. Accordingly, the related assets were classified as construction in process and were not depreciated while awaiting final acceptance and transfer.

On December 19, 2025, the City formally accepted Filing 1B and the related public improvements. Upon acceptance, ownership and ongoing maintenance responsibilities for the infrastructure transferred to the City of Durango. As a result, the District removed \$5,287,044 of construction in process from its capital asset records during the year ended December 31, 2025. The transfer is reflected within intergovernmental expenses on the Statement of Activities for the year ended December 31, 2025.

NOTE 7 - FUTURE OBLIGATIONS

Revenue Bond Obligations

In August 2016, the District issued Tax Supported Revenue Bonds Series 2016A (Series 2016A Bonds) for \$4,215,000. Principal is payable annually on December 1 beginning on December 1, 2019 and annually thereafter maturing on December 1, 2048. Interest is charged at a rate of 6.125% and is payable semiannually beginning December 1, 2016 and semiannually thereafter maturing on December 1, 2048. Additionally, the total proceeds received by the District were net of a bond issue discount of \$69,327. The discount is amortized over the life of the Series 2016A Bonds. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal of and interest on the Series 2016A Bonds without limitation as to rate and in an amount sufficient to pay the Series 2016A Bonds when due. Property taxes assessed in Twin Buttes Metropolitan District Nos. 3-4 are also pledged for debt service. As discussed in the section regarding the Series 2025 Bonds below, the Series 2016A Bonds were fully refunded with the issuance of the Series 2025 Bonds.

In June 2018, the District issued Tax Supported Revenue Bonds Series 2018B (Series 2018B Bonds) for \$4,500,000. The Series 2018B Bond issuance was intended to reimburse the Developer for the costs of construction in process – infrastructure as part of the ongoing construction of the Development. Principal is payable annually on December 15 beginning on December 15, 2024 and annually thereafter maturing on June 15, 2048. Interest is charged at a rate of 7.500% and is payable annually beginning December 15, 2018 and annually thereafter maturing on June 15, 2048. No bond proceeds were received on the issuance of the Series 2018B Bonds and the Series 2018B Bonds were issued at par value. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal of and interest on Series the 2018B Bonds without limitation as to rate and in an amount sufficient to pay the Series 2018B Bonds when due. Property taxes assessed in Twin Buttes Metropolitan District Nos. 3-4 are also pledged for debt service. As discussed the section regarding the Series 2025 Bonds below, the Series 2018B Bonds were fully refunded with the issuance of the Series 2025 Bonds.

In December 2025, the District issued General Obligation Refunding Bonds, Series 2025 (Series 2025 Bonds) for \$10,000,000. Principal is payable semiannually on December 1 beginning on December 1, 2026 and semiannually thereafter maturing on December 1, 2055. Interest is charged at a rate of 5.95% and is payable semiannually beginning December 1, 2026 and semiannually thereafter maturing on December 1, 2055. Additionally, the total proceeds received by the District were net of a bond issuance discount of \$69,400. The discount is amortized over the life of the Series 2025 Bonds. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal of and interest on the Series 2025 Bonds without limitation as to rate and in an amount sufficient to pay the Series 2025 bonds when due. Property taxes assessed in Twin Buttes Metropolitan District Nos. 3-4 are also pledged for debt service. At year end, the District had \$416,610 in fund balance and net position restricted for debt service on the Series 2025 Bonds.

The Series 2025 Bonds require compliance with specified covenants and obligations such as a mandatory sinking fund redemption prior to the maturity date of the bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and principal amounts set forth below. In addition, the District established a Reserve Fund COLOTRUST PRIME investment account as required by the agreement to hold a minimum balance of \$398,000 to pay any deficiency that exists in the bond fund and future obligations. See Note 5 for further information regarding the District's investments. The District was in compliance with all debt covenants as of December 31, 2025.

Refunding of Series 2016A and Series 2018B Bonds

On December 10, 2025, the District issued \$10,000,000 of the Series 2025 Bonds to pay off the remaining principal balances of the Series 2016A Bonds and 2018B Bonds totaling \$8,360,000, pay a portion of accrued interest of the Series 2018B Bonds, and to purchase \$1,250,000 of U.S. Treasury and Agency securities through COLOTRUST PRIME that were placed in an irrevocable trust with an escrow agent to provide for the purpose of future payments of remaining accrued interest on the Series 2018B Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The reacquisition price was equal to the net carrying amount of the refunded debt, and accordingly, no gain or loss was recognized. The refunding of the Series 2016A Bonds and the 2018B Bonds resulted in an increase in total cash flow requirements (principal and interest, without considering present value for the time value of money) of \$5,053,497 to service the newly issued Series 2025 Bonds as compared to the prior debt service requirements on the 2016A Bonds and 2018B Bonds. This increase in cash flow requirements to service the newly issued Series 2025 Bonds as compared to the combined debt service requirements of the 2016A Bonds and 2018B Bonds is due to the Series 2025 Bonds maturing seven years later than the 2016A Bonds and the 2018B Bonds. The refunding resulted in an economic loss of \$769,391.64. The economic loss is calculated by comparing the present value of the debt service requirements on the prior debt (2016A and 2018B Bonds) including accrued interest to the present value of the debt service requirements of the new debt (Series 2025 Bonds), with the interest rate of the new debt (Series 2025 Bonds) used in all present value calculations.

The minimum future obligations on the Series 2025 Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 580,125	\$ 580,125
2027	-	595,000	595,000
2028	110,000	595,000	705,000
2029	115,000	588,455	703,455
2030	130,000	581,613	711,613
2031-2035	815,000	2,779,840	3,594,840
2036-2040	1,185,000	2,496,025	3,681,025
2041-2045	1,675,000	2,088,450	3,763,450
2046-2050	2,345,000	1,515,465	3,860,465
2051-2055	3,625,000	718,760	4,343,760
<i>Total minimum future obligations</i>	<u>\$ 10,000,000</u>	<u>\$ 12,538,733</u>	<u>\$ 22,538,733</u>

Promissory Note

On December 10, 2025, the District entered into a special revenue promissory note (the Promissory Note) in the original amount of \$690,792 with the Developer to pay a portion of accrued interest on the Series 2018B Bonds. The Promissory Note bears interest at a rate of 2.50% and matures on January 15, 2045. Payments on the Promissory Note are due at maturity or earlier to the extent of available transfer fee revenues, as defined in the agreement. Annual payments, if any, are based on the following structure of transfer fees collected within a calendar year:

- No payments are required on the first \$100,000 of transfer fees collected
- 20% of transfer fees collected in excess of \$100,000 up to \$200,000
- 50% of transfer fees collected in excess of \$200,000 up to \$300,000
- 100% of transfer fees collected in excess of \$300,000

Due to the variable nature of the payment terms, the timing and amount of future debt service payments cannot be reasonably estimated. Accordingly, a schedule of future minimum debt service requirements is not presented.

Changes in future obligations for the year ended December 31, 2025 were as follows:

	<u>Balance December 31, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2025</u>	<u>Due Within One Year</u>
Series 2016A Bonds	\$ 3,870,000	\$ -	\$ 3,870,000	\$ -	\$ -
Series 2016A - original issue discount, net	(51,815)	-	(51,815)	-	-
Series 2018B Bonds	4,490,000	-	4,490,000	-	-
Series 2025 Bonds	-	10,000,000	-	10,000,000	-
Series 2025 - original issue discount, net	-	(69,400)	(193)	(69,207)	-
Promissory note	-	690,792	-	690,792	-
<i>Total Future Obligations</i>	<u>\$ 8,308,185</u>	<u>\$10,621,392</u>	<u>\$ 8,307,992</u>	<u>\$ 10,621,585</u>	<u>\$ -</u>

Interest expense of \$630,901 on future obligations has been included in the direct expenses of individual functions on the government-wide statement of activities. Authorization for future obligations is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on future obligations is reported as a direct expense of the program for which borrowing is related.

NOTE 8 - INTERGOVERNMENTAL AGREEMENT

Effective June 1, 2020, the District and District No. 1 entered into an amended intergovernmental financing agreement for the purpose of jointly financing the costs of any public improvements, facilities, systems, programs, or projects which the District may provide, or for the purpose of providing for the operations and maintenance of the District and its facilities and properties. According to this agreement, certain administrative costs directly associated with the District are considered obligations of District No. 1. As property tax revenues and other operating and maintenance fees are received by the District, an intergovernmental expense is recognized to transfer funds to District No. 1 to assist in the payment of these costs. Future transfers of tax revenue may be in excess of actual costs paid by District No. 1 on behalf of the District. For the year ended December 31, 2025, activities of District Nos. 1-4 were as follows:

	District No. 1	District No. 2	District No. 3	District No. 4	Total
Program expenses	\$ (506,042)	\$ (1,287,425)	\$ (30,433)	\$ (173,761)	\$ (1,997,661)
Program revenues	59,738	142,396	-	-	202,134
General revenues	456,706	759,272	30,433	173,761	1,420,172
Other financing sources (uses)	683	(5,287,044)	-	-	(5,286,361)
<i>Change in net position</i>	<u>\$ 11,085</u>	<u>\$ (5,672,801)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,661,716)</u>

NOTE 9 - RELATED PARTIES

As described in Note 1, the District's Board is predominately composed of the same members as the Board of District Nos. 1, 3, & 4.

The contract accountant for the District also provides accounting services to the Developer.

The District has entered into the Promissory Note with the Developer, a related party, for the purpose of funding a portion of accrued interest on the Series 2018B bonds. On December 10, 2025, the District issued the Promissory Note to the Developer in the original amount of \$690,792. The Promissory Note bears interest at a rate of 2.50% and matures on January 15, 2045. Payments on the note are due at maturity or earlier to the extent of available transfer fee revenues, as defined in the agreement, see Note 7.

Repayment of the Promissory Note is contingent upon the collection of transfer fee revenues and is structured such that no payments are required on the first \$100,000 of transfer fees collected annually, with escalating payment percentages applied to collections in excess of that amount. Additional information regarding the Promissory Note is included in Note 7.

NOTE 10 - CONTINGENT LIABILITIES

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by the District's participation in a special district funded pool. Settled claims have not exceeded this commercial coverage in the past year.

Developer Subsidy Repayment

In 2019 the District received an operating subsidy from the Developer to pay certain costs related to debt service totaling \$108,000. No subsidy was paid from the Developer to the District for the year ended December 31, 2025. No formal agreement exists between the District and the Developer for the repayment of these subsidies, however it is the intention of the District to reimburse the Developer when funds become available in the future, provided the funds are not otherwise appropriated, obligated, pledged, or reserved for any current or future purpose. Due to the uncertainty of the availability of funds, and because no formal repayment agreement exists as of December 31, 2025, the District did not accrue a liability for the operating subsidies. The District, from such available sources and at its sole discretion, will reimburse the Developer for the operating subsidies.

Required Supplemental Information

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND**

For the year ended December 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Taxes:				
Property taxes	\$ 166,558	\$ 166,558	\$ 166,558	\$ -
Specific ownership taxes	18,321	15,394	15,275	(119)
Permits and fees	172,442	146,559	142,396	(4,163)
<i>Total Revenues</i>	<u>357,321</u>	<u>328,511</u>	<u>324,229</u>	<u>(4,282)</u>
EXPENDITURES				
Treasurer's fees	4,997	4,997	4,997	-
Intergovernmental expenditures	277,324	314,514	310,232	4,282
<i>Total Expenditures</i>	<u>282,321</u>	<u>319,511</u>	<u>315,229</u>	<u>4,282</u>
<i>Excess of Revenues Over Expenditures</i>	<u>75,000</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
OTHER FINANCING USES				
Transfers out	(75,000)	(9,000)	(9,000)	-
<i>Total Other Financing Uses</i>	<u>(75,000)</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - January 1			<u>-</u>	
Fund Balance - December 31			<u>\$ -</u>	

See accompanying notes and independent auditor's report.

Other Supplemental Information

TWIN BUTTES METROPOLITAN DISTRICT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND

For the year ended December 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Taxes:				
Property taxes	\$ 416,396	\$ 416,396	\$ 416,396	\$ -
Specific ownership taxes	45,804	38,110	38,186	76
Intergovernmental revenue	98,206	97,288	97,319	31
Earnings on deposits and investments	24,800	21,823	25,538	3,715
<i>Total Revenues</i>	<u>585,206</u>	<u>573,617</u>	<u>577,439</u>	<u>3,822</u>
EXPENDITURES				
Treasurer's fees	12,492	12,492	12,492	-
Bond trustee's fee	7,000	-	3,500	(3,500)
Intergovernmental expenditures	75,000	12,274	12,353	(79)
Debt service				
Principal	145,000	8,360,000	8,360,000	-
Interest	425,038	494,992	1,168,741	(673,749)
Bond issuance cost	-	308,500	312,950	(4,450)
<i>Total Expenditures</i>	<u>664,530</u>	<u>9,188,258</u>	<u>9,870,036</u>	<u>(681,778)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(79,324)</u>	<u>(8,614,641)</u>	<u>(9,292,597)</u>	<u>(677,956)</u>
OTHER FINANCING SOURCES				
Bond issuance proceeds	-	9,930,600	9,930,600	-
Promissory note proceeds	-	-	690,792	690,792
Payment to bond escrow agent	-	-	(1,250,000)	(1,250,000)
Transfers in	75,000	9,000	9,000	-
<i>Total Other Financing Sources</i>	<u>75,000</u>	<u>9,939,600</u>	<u>9,380,392</u>	<u>(559,208)</u>
<i>Net Change in Fund Balance</i>	<u>\$ (4,324)</u>	<u>\$ 1,324,959</u>	<u>87,795</u>	<u>\$ (1,237,164)</u>
Fund Balance - January 1			<u>328,815</u>	
Fund Balance - December 31			<u>\$ 416,610</u>	

See accompanying notes and independent auditor's report.

TWIN BUTTES METROPOLITAN DISTRICT NO. 3

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025



TWIN BUTTES METROPOLITAN DISTRICT NO. 3

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Independent Auditor's Report



Board of Directors
Twin Buttes Metropolitan District No. 3
Durango, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of the Twin Buttes Metropolitan District No. 3 (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 and the major funds of the District, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 on pages 4 through 7 and budgetary comparison information on page 18 is 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information for the Debt Service Fund on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DWC

Grand Junction, Colorado

June 4, 2026

Management's Discussion and Analysis

TWIN BUTTES METROPOLITAN DISTRICT NO. 3

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the year ended December 31, 2025

As management of the Twin Buttes Metropolitan District No. 3 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025, with comparative information presented for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

Financial Highlights

- In the government-wide financial statements, the District's assets equaled its liabilities and deferred inflows of resources at December 31, 2025 and 2024. In addition, the District's revenues equaled its expenses for the years ended December 31, 2025 and 2024 as expected.
- The General Fund had no fund balance at December 31, 2025 and 2024 as expected.
- The Debt Service Fund had no fund balance at December 31, 2025 and 2024 as expected.
- Certain administrative costs related to operating the District were paid for by Twin Buttes Metropolitan District No. 1 (District No. 1) (See Note 5).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required and other supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category; governmental activities. The District's activities are principally supported by property taxes.

The government-wide financial statements can be found on pages 8 and 9.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are all considered governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District presents two governmental funds, the General Fund and the Debt Service Fund. The District's Governmental Funds financial statements can be found on pages 10 and 11.

An annual appropriated budget was adopted for the funds in 2025 and 2024. Budgetary comparison schedules have been provided on pages 18 and 19 to demonstrate compliance with the adopted budgets.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 12 through 17.

Required Supplementary Information (RSI)

The RSI presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis and budgetary comparison schedule on page 18.

Government-wide Financial Analysis

The following summarizes the District's governmental net position as of December 31:

		2025	2024	Change
Assets				
Current and other assets		\$ 34,770	\$ 27,864	\$ 6,906
	Total Assets	34,770	27,864	6,906
Liabilities				
Current liabilities		179	-	179
	Total Liabilities	179	-	179
Deferred Inflows of Resources				
Property tax revenue		34,591	27,864	6,727
	Total Deferred Inflows of Resources	34,591	27,864	6,727
Net Position				
Unrestricted		-	-	-
	Total Net Position	\$ -	\$ -	\$ -

The following summarizes the change in the District's governmental net position for the years ended December 31:

		2025	2024	Change
Revenues				
General revenues:				
Taxes		\$ 30,421	\$ 30,975	\$ (554)
Conservation trust funds		12	12	-
	Total Revenues	30,433	30,987	(554)
Expenses				
Treasurer's fees		836	853	(17)
Intergovernmental expenses		29,597	30,134	(537)
	Total Expenses	30,433	30,987	(554)
	Change in Net Position	-	-	-
Net position – January 1		-	-	-
Net position – December 31		\$ -	\$ -	\$ -

Mill Levy and Debt

Total authorized mill levy and total authorized and outstanding debt consists of the following as of December 31, 2025:

	General	Debt	Total
Authorized Mill Levy	20.000	50.000	70.000
Debt Authorized	Debt Outstanding		
\$37,250,000	\$0		

Financial Analysis of Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District has two major governmental funds, the General Fund and the Debt Service Fund. As expected the General Fund and Debt Service Fund had no fund balance as of December 31, 2025 and 2024 as pursuant to the intergovernmental agreement with District No. 1 and 2, the District revenues are transferred out to Districts No. 1 and 2.

General Fund and Debt Service Fund - Budgetary Highlights

The various revenues of this District are primarily dedicated to District No. 1 operations and District No. 2 debt service. The District's expenditures in 2025 were intergovernmental transfers of collected revenues to fund District No. 1's operating costs and District No 2's debt service costs and were comparable to budget and prior year as expected. The District's General Fund and Debt Service Fund unassigned fund balances were drawn down to zero at the end of 2025 accordingly.

Economic Factors and Next Year's Budget

The District was formed for the primary purpose of generating revenue from property taxes, development fees, and real estate transfer fees to either fund operating costs of District No. 1 or to service bonded debt issued by any of the three other districts. This District is currently composed of approximately 100 acres of undeveloped land and is either classified as ranch property or governmental with minimal assessable value. Development of the property within the District will not occur for several years. Until such development activity occurs the assessable value and property tax revenues will remain minimal. Development fee and real estate transfer fee revenues will not occur until development is complete and the properties are sold. Accordingly, fund activity and balances, whether government wide or on an individual fund basis, were minimal for 2025 and the foreseeable future.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steven Wilson, 692 Twin Buttes Ave., Durango, CO 81301.

Basic Financial Statements

Government-wide Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 3

STATEMENT OF NET POSITION

December 31, 2025

ASSETS

Property taxes receivable	\$	34,591
Specific ownership taxes receivable		179
<i>Total Assets</i>		<u>34,770</u>

LIABILITIES

Intergovernmental payables		179
<i>Total Liabilities</i>		<u>179</u>

DEFERRED INFLOWS OF RESOURCES

Property tax revenue		34,591
<i>Total Deferred Inflows of Resources</i>		<u>34,591</u>

NET POSITION

Unrestricted		-
<i>Total Net Position</i>	\$	<u><u>-</u></u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 3

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

GOVERNMENTAL ACTIVITIES:

PROGRAM EXPENSES

Treasurer's fees	\$	836
Intergovernmental expenses		29,597
<i>Total Program Expenses</i>		30,433

GENERAL REVENUES

Taxes:		
Property taxes		27,864
Specific ownership taxes		2,557
Conservation trust funds		12
<i>Total General Revenues</i>		30,433
<i>Change in Net Position</i>		-

Net Position - January 1		
		-
Net Position - December 31		
	\$	-

See accompanying notes.

Fund Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 3**BALANCE SHEET – GOVERNMENTAL FUNDS**

December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Property taxes receivable	\$ 9,883	\$ 24,708	\$ 34,591
Specific ownership taxes receivable	179	-	179
<i>Total Assets</i>	<u>\$ 10,062</u>	<u>\$ 24,708</u>	<u>\$ 34,770</u>
LIABILITIES			
Intergovernmental payables	\$ 179	\$ -	\$ 179
<i>Total Liabilities</i>	<u>179</u>	<u>-</u>	<u>179</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	9,883	24,708	34,591
<i>Total Deferred Inflows of Resources</i>	<u>9,883</u>	<u>24,708</u>	<u>34,591</u>
FUND BALANCE			
Unassigned	-	-	-
<i>Total Fund Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 10,062</u>	<u>\$ 24,708</u>	<u>\$ 34,770</u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS

For the year ended December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 7,961	\$ 19,903	\$ 27,864
Specific ownership taxes	731	1,826	2,557
Conservation trust funds	12	-	12
<i>Total Revenues</i>	<u>8,704</u>	<u>21,729</u>	<u>30,433</u>
EXPENDITURES			
Treasurer's fees	239	597	836
Intergovernmental expenditures	8,465	21,132	29,597
<i>Total Expenditures</i>	<u>8,704</u>	<u>21,729</u>	<u>30,433</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes.

Notes to Basic Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 3

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Twin Buttes Metropolitan District No. 3 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below:

Financial Reporting Entity

The Twin Buttes Metropolitan District Nos. 1-4 are political subdivisions of the State of Colorado, formed in 2013 for the purpose of providing the management, implementation, and coordination of the financing, acquisition, completion, and operation of certain public infrastructure and services throughout the Twin Buttes of Durango Development (the Development). The improvements will be for the collective use and benefit of the property owners within, and residents of, the Development. The District was designed, along with Twin Buttes Metropolitan District No. 4 (District No. 4), to collect property taxes which are pledged to repay the bonds issued by Twin Buttes Metropolitan District No. 2 (District No. 2). It will also contain a portion of the residential property of the Development. The commercial property of the Development will be located in District No. 4. Twin Buttes Metropolitan District No. 1 (District No.1) is the managing district and incurs a majority of the operating costs of the Development (see Note 6). District Nos. 2 and 4 are authorized to issue bonds and collect property taxes for the repayment of the debt. The District is governed by an elected four-member Board of Directors (the Board).

Government-wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities to report information on all of the non-fiduciary activities of the District as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, liabilities, and deferred inflows of resources, including any capital assets and any long-term liabilities, are included in the accompanying statement of net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. There were no *Program revenues* for the year ended December 31, 2025, but in future years this may include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues, will be reported instead as *general revenues*, and are pledged to pay principal and interest payments for the bond held by District No. 2. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows and deferred outflows of resources. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

For the year ended December 31, 2025, the District has two funds, the General Fund, which is the District's primary operating fund that accounts for all financial resources of the District, except those required to be accounted for in another fund; and the Debt Service Fund, which is the fund that accounts for property taxes which are pledged to repay the bond held by District No. 2. Both funds are considered major funds.

Separate financial statements are provided for the governmental funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues will be recorded when earned. Expenditures 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, if any, are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues will be considered available if collected within 60 days after year end. The revenues associated with the current period which are susceptible to accrual are property taxes. Grant revenues, if any, will be recognized as they are earned. All other revenues will be reported when cash is received. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule would include principal and interest on general long-term debt which would be recognized when due, and compensated absences which would be recognized when the obligations are expected to be liquidated with available financial resources.

Use of Estimates

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

Property Taxes

Property taxes for the current year are levied in December of the previous year and attach as a lien on property on January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in 2025 are reported as a receivable and deferred inflow of resources at December 31. The deferred taxes are reported as revenue in the year in which the lien attaches and they are available and collectible.

District No. 2 issued Tax support revenue Bond Series 2025 in 2025 to refund the 2016A and 2018B bonds, which were originally issued in 2016 and 2018, respectively. Property tax revenues from the District and District No. 4 are pledged for the repayment of this bond. This was accounted for as an intergovernmental expenditure in 2025.

Deferred Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a statement of financial position to include:

- Assets – resources with a present service capacity under District control.
- Deferred Outflows of Resources – consumption of net position by the District that is applicable to a future reporting period. The District had no deferred outflows of resources as of December 31, 2025.
- Liabilities – present obligations to sacrifice resources.
- Deferred Inflows of Resources – acquisitions of net position by the District that is applicable to a future reporting period.
- Net Position – residual of all other elements presented in a statement of financial position.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows of resources. Net position is reported as restricted when there are limitations on their use due to external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. As of December 31, 2025, the District had no restrictions on net position.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any non-spendable resources as of December 31, 2025.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted resources as of December 31, 2025.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2025.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. The District did not have any assigned resources as of December 31, 2025.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use committed resources first and then assigned resources as appropriate opportunities arise, but the District reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The governmental fund balance sheet normally includes a reconciliation between *fund balance* of the *governmental fund* and *net position of governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balance normally includes a reconciliation between the *net change in fund balances* of the *governmental fund* and the *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. As of and for the year ended December 31, 2025, these reconciliations are not presented as the District had no reconciling items that required adjustments from the fund financial statements to the government wide financial statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 Taxpayer Bill of Rights, commonly known as TABOR, which has several limitations including revenue raising, spending abilities, debt limitations, and other specific requirements of state and local governments. Future spending and revenue limits are determined based on the year's fiscal year spending, adjusted for allowable increases based upon information and local growth. An election was held in November 2013 and voters approved a measure to allow the District to keep and retain all revenues, including grants, in excess of the fiscal year spending limit. TABOR also requires a reserve of 3% of the District's fiscal year spending, excluding bonded debt service. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. As of December 31, 2025, none of the District's governmental fund balance is classified as restricted for an emergency reserve.

NOTE 4 - BUDGETS

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. The District amended its originally adopted 2025 budget. The District expended less than was appropriated during the year ended December 31, 2025 in the Debt Service Fund. The District expended \$1 more than was appropriated in the General Fund due to the fact that fees and taxes collected were higher than budgeted and therefore intergovernmental transfers were higher than budgeted. This may be a violation of state budget law.
- F. Budget appropriations lapse at the end of each year.
- G. Budgets are adopted on the modified accrual basis of accounting.

NOTE 5 - INTERGOVERNMENTAL AGREEMENT

Effective June 1, 2020, the District and District No. 1 entered into an amended intergovernmental financing agreement for the purpose of jointly financing the costs of any public improvements, facilities, systems, programs, or projects which the District may provide, or for the purpose of providing for the operations and maintenance of the District and its facilities and properties. According to this agreement, certain administrative costs directly associated with the District are considered obligations of District No. 1. As property tax and other operating and maintenance revenues are received by the District, an inter-governmental expense is recognized to transfer the tax revenue to District No. 1 to assist in the payment of these costs. Property tax revenues are transferred to District No. 1 or District No. 2. Future transfers of tax revenue may be in excess of actual costs paid by District No. 1 on behalf of the District. For the year ended December 31, 2025, activities of District Nos. 1-4 were as follows:

	District No. 1	District No. 2	District No. 3	District No. 4	Total
Program expenses	\$ (506,042)	\$ (1,287,425)	\$ (30,433)	\$ (173,761)	\$ (1,997,661)
Program revenues	59,738	142,396	-	-	202,134
General revenues	456,706	759,272	30,433	173,761	1,420,172
Other financing sources (uses)	683	(5,287,044)	-	-	(5,286,361)
<i>Change in net position</i>	<u>\$ 11,085</u>	<u>\$ (5,672,801)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,661,716)</u>

NOTE 6 - ECONOMIC DEPENDENCY

Pursuant to the Intergovernmental Agreement referred to in Note 5, the District relies on District No. 1 to cover the combined operating costs of all the districts. For the year ended December 31, 2025, the District earned no program revenue.

NOTE 7 - RELATED PARTIES

As described in Note 1, the District's Board is predominately composed of the same members as the Board of District Nos. 1, 2, & 4.

The contract accountant for the District also provides accounting services to the Developer.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by the District's participation in a special district funded pool. Settled claims have not exceeded this commercial coverage in the past year.

Required Supplemental Information

TWIN BUTTES METROPOLITAN DISTRICT NO. 3**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –****BUDGET AND ACTUAL – GENERAL FUND**

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Taxes:				
Property taxes	\$ 7,961	\$ 7,961	\$ 7,961	\$ -
Specific ownership taxes	876	730	731	1
Conservation trust funds	12	12	12	-
<i>Revenues</i>	<u>8,849</u>	<u>8,703</u>	<u>8,704</u>	<u>1</u>
EXPENDITURES				
Treasurer's fees	239	239	239	-
Intergovernmental expenditures	8,610	8,464	8,465	(1)
<i>Total Expenditures</i>	<u>8,849</u>	<u>8,703</u>	<u>8,704</u>	<u>(1)</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - January 1			<u>-</u>	
Fund Balance - December 31			<u>\$ -</u>	

See accompanying notes and independent auditor's report.

Other Supplemental Information

TWIN BUTTES METROPOLITAN DISTRICT NO. 3**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –****BUDGET AND ACTUAL – DEBT SERVICE FUND**

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Taxes:				
Property taxes	\$ 19,903	\$ 19,903	\$ 19,903	\$ -
Specific ownership taxes	2,189	1,834	1,826	(8)
<i>Revenues</i>	<u>22,092</u>	<u>21,737</u>	<u>21,729</u>	<u>(8)</u>
EXPENDITURES				
Treasurer's fees	597	597	597	-
Intergovernmental expenditures	21,495	21,140	21,132	8
<i>Total Expenditures</i>	<u>22,092</u>	<u>21,737</u>	<u>21,729</u>	<u>8</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-
<i>Net Change in Fund Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - January 1			-	
Fund Balance - December 31			<u>\$ -</u>	

See accompanying notes and independent auditor's report.

TWIN BUTTES METROPOLITAN DISTRICT NO. 4

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025



TWIN BUTTES METROPOLITAN DISTRICT NO. 4

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Independent Auditor's Report



Board of Directors
Twin Buttes Metropolitan District No. 4
Durango, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of the Twin Buttes Metropolitan District No. 4 (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 and the major funds of the District, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 on pages 4 through 7 and budgetary comparison information on page 18 is 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information for the Debt Service Fund on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Grand Junction, Colorado

June 4, 2026

Management's Discussion and Analysis

TWIN BUTTES METROPOLITAN DISTRICT NO. 4

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the year ended December 31, 2025

As management of the Twin Buttes Metropolitan District No. 4 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025, with comparative information presented for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

Financial Highlights

- In the government-wide financial statements, the District's assets equaled its liabilities and deferred inflows of resources at December 31, 2025 and 2024. In addition, the District's revenues equaled its expenses for the years ended December 31, 2025 and 2024 as expected.
- The General Fund and Debt Service Fund had no fund balance at December 31, 2025 and 2024.
- Certain administrative costs related to operating the District were paid for by Twin Buttes Metropolitan District No. 1 (District No. 1) (See Note 5).
- The property tax base of the District contains all the commercial property of the development and is primarily comprised of a commercial gas station and convenience store located on the east side of the development. Although, future development will drive additional tax base growth. The District currently relies on the commercial gas station and convenience store as one of its primary property tax revenue generators for District No. 1 operations and District No. 2 debt service. In 2025 budgeted revenues from this district were collected as anticipated.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required and other supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category; governmental activities. The District's activities are principally supported by property taxes.

The government-wide financial statements can be found on pages 8 and 9.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are all considered governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District presents two governmental funds, the General Fund and the Debt Service Fund. The District's governmental fund financial statements can be found on pages 10 and 11.

An annual appropriated budget was adopted for the funds in 2025 and 2024. Budgetary comparison schedules have been provided on pages 18 and 19 to demonstrate compliance with the adopted budgets.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 12 through 17.

Required Supplementary Information (RSI)

The RSI presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis and budgetary comparison schedule on page 18.

Government-wide Financial Analysis

The following summarizes the District's governmental net position as of December 31:

	2025	2024	Change
Assets			
Current and other assets	\$ 154,528	\$ 157,292	\$ (2,764)
Total Assets	154,528	157,292	(2,764)
Liabilities			
Current liabilities	1,107	-	1,107
Total Liabilities	1,107	-	1,107
Deferred Inflows of Resources			
Property tax revenue	153,421	157,292	(3,871)
Total Deferred Inflows of Resources	153,421	157,292	(3,871)
Net Position			
Unrestricted	-	-	-
Total Net Position	\$ -	\$ -	-

The following summarizes the change in the District's governmental net position for the year ended December 31:

	2025	2024	Change
Revenues			
General revenues:			
Taxes	\$ 173,761	\$ 158,890	\$ 14,871
Total Revenues	173,761	158,890	14,871
Expenses			
Treasurer's fees	4,772	4,332	440
Intergovernmental expenses	168,989	154,558	14,431
Total Expenses	173,761	158,890	14,871
Change in Net Position	-	-	-
Net position – January 1	-	-	-
Net position – December 31	\$ -	\$ -	\$ -

Mill Levy and Debt

Total authorized mill levy and total authorized and outstanding debt consists of the following as of December 31, 2025:

	General	Debt	Total
Authorized Mill Levy	62.364	51.970	114.334
Debt Authorized	Debt Outstanding		
\$37,250,000	\$0		

Financial Analysis of Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District has two major governmental funds, the General Fund and the Debt Service Fund. As expected the General Fund and Debt Service Fund had no fund balance as of December 31, 2025 and 2024 as pursuant to the intergovernmental agreement with District No. 1 and 2, the District revenues are transferred out to Districts No. 1 and 2.

General Fund and Debt Service Fund - Budgetary Highlights

The various revenues of this District are primarily dedicated to District No. 1 operations and District No. 2 debt service. The District's expenditures in 2025 were intergovernmental transfers of collected revenues to fund District No. 1's operating costs and District No. 2's debt service costs. The District's revenues and expenditures were comparable to budget and the District's General Fund and Debt Service Fund unassigned fund balances were drawn down to zero at the end of 2025 accordingly.

Economic Factors and Next Year's Budget

The 2025 budget reflects primarily property tax revenue levied for the purposes stated above. Actual property tax revenues derived from the operations and maintenance mill levy ("O&M") will continue to shift to District No. 1 to fund operating and maintenance costs the District. Actual property tax revenues derived for bonded debt service will continue to be shifted to District No. 2 to fund debt service costs. The District's 2026 budget is comparable to 2025 actual results as the tax base and 2026 mill levy rates remain essentially comparable to 2025 as expected.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steven Wilson, 692 Twin Buttes Ave., Durango, CO 81301.

Basic Financial Statements

Government-wide Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 4

STATEMENT OF NET POSITION

December 31, 2025

ASSETS

Property taxes receivable	\$	153,421
Specific ownership taxes receivable		1,107
<i>Total Assets</i>		<u>154,528</u>

LIABILITIES

Intergovernmental payables		<u>1,107</u>
<i>Total Liabilities</i>		<u>1,107</u>

DEFERRED INFLOWS OF RESOURCES

Property tax revenue		<u>153,421</u>
<i>Total Deferred Inflows of Resources</i>		<u>153,421</u>

NET POSITION

Unrestricted		<u>-</u>
<i>Total Net Position</i>	\$	<u><u>-</u></u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 4

STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

GOVERNMENTAL ACTIVITIES:

PROGRAM EXPENSES

Treasurer's fees	\$ 4,772
Intergovernmental expenses	168,989
<i>Total Program Expenses</i>	<u>173,761</u>

GENERAL REVENUES

Taxes:	
Property taxes, net of property tax abatements	157,293
Specific ownership taxes	16,161
Public improvement fee	307
<i>Total General Revenues</i>	<u>173,761</u>
<i>Change in Net Position</i>	-

Net Position - January 1	-
Net Position - December 31	<u>\$ -</u>

See accompanying notes.

Fund Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 4

BALANCE SHEET – GOVERNMENTAL FUNDS

December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Property taxes receivable	\$ 83,684	\$ 69,737	\$ 153,421
Specific ownership taxes receivable	1,107	-	1,107
<i>Total Assets</i>	<u>\$ 84,791</u>	<u>\$ 69,737</u>	<u>\$ 154,528</u>
LIABILITIES			
Intergovernmental payables	\$ 1,107	\$ -	\$ 1,107
<i>Total Liabilities</i>	<u>1,107</u>	<u>-</u>	<u>1,107</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	83,684	69,737	153,421
<i>Total Deferred Inflows of Resources</i>	<u>83,684</u>	<u>69,737</u>	<u>153,421</u>
FUND BALANCE			
Unassigned	-	-	-
<i>Total Fund Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 84,791</u>	<u>\$ 69,737</u>	<u>\$ 154,528</u>

See accompanying notes.

TWIN BUTTES METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS

For the year ended December 31, 2025

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes, net of property tax abatements	\$ 85,796	\$ 71,497	\$ 157,293
Specific ownership taxes	9,304	6,857	16,161
Public improvement fees	307	-	307
<i>Total Revenues</i>	<u>95,407</u>	<u>78,354</u>	<u>173,761</u>
EXPENDITURES			
Treasurer's fees	2,605	2,167	4,772
Intergovernmental expenditures	92,802	76,187	168,989
<i>Total Expenditures</i>	<u>95,407</u>	<u>78,354</u>	<u>173,761</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes.

Notes to Basic Financial Statements

TWIN BUTTES METROPOLITAN DISTRICT NO. 4

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Twin Buttes Metropolitan District No. 4 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below:

Financial Reporting Entity

The Twin Buttes Metropolitan District Nos. 1-4 are political subdivisions of the State of Colorado, formed in 2013 for the purpose of providing the management, implementation, and coordination of the financing, acquisition, completion, and operation of certain public infrastructure and services throughout the Twin Buttes of Durango Development (the Development). The improvements will be for the collective use and benefit of the property owners within, and residents of, the Development. The District was designed, along with Twin Buttes Metropolitan District No. 3 (District No. 3), to collect property taxes which are pledged to repay the bonds issued by Twin Buttes Metropolitan District No. 2 (District No. 2). It will also contain the commercial property of the Development while District No. 2 and District No. 3 will contain the residential property. The District is also authorized to issue bonds and collect property taxes for the repayment of the debt. Twin Buttes Metropolitan District No. 1 (District No. 1) is the managing district and incurs a majority of the operating costs of the Development (see Note 6). The District is governed by an elected four-member Board of Directors (the Board).

Government-wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities to report information on all of the non-fiduciary activities of the District as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, liabilities, and deferred inflows of resources, including any capital assets and any long-term liabilities, are included in the accompanying statement of net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. There were no *program revenues* for the year ended December 31, 2025, but in future years this may include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues, will be reported instead as *general revenues*, and are pledged to pay principal and interest payments for the bonds held by District No. 2. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows and deferred outflows of resources. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

For the year ended December 31, 2025, the District has two funds, the General Fund, which is the District's primary operating fund that accounts for all financial resources of the District, except those required to be accounted for in another fund; and the Debt Service Fund, which is the fund that accounts for property taxes which are pledged to repay the bonds held by District No. 2. Both funds are considered major funds.

Separate financial statements are provided for governmental funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues will be recorded when earned. Expenditures 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, if any, are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues will be considered available if collected within 60 days after year end. The revenues associated with the current period which are susceptible to accrual are property taxes. Grant revenues, if any, will be recognized as they are earned. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule would include principal and interest on general long-term debt which would be recognized when due, and compensated absences which would be recognized when the obligations are expected to be liquidated with available financial resources.

Use of Estimates

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

Property Taxes

Property taxes for the current year are levied in December of the previous year and attach as a lien on property on January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in 2025 are reported as a receivable and deferred inflow of resources at December 31. The deferred taxes are reported as revenue in the year in which the lien attaches and they are available and collectible.

District No. 2 issued Tax support revenue Bond Series 2025 in 2025 to refund the 2016A and 2018B bonds, which were originally issued in 2016 and 2018, respectively. Property tax revenues from the District and District No. 3 are pledged for the repayment of this bond. This was accounted for as an intergovernmental expenditure in 2025.

Deferred Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a statement of financial position to include:

- Assets – resources with a present service capacity under District control.
- Deferred Outflows of Resources – consumption of net position by the District that is applicable to a future reporting period. The District had no deferred outflows of resources as of December 31, 2025.
- Liabilities – present obligations to sacrifice resources.
- Deferred Inflows of Resources – acquisitions of net position by the District that is applicable to a future reporting period.
- Net Position – residual of all other elements presented in a statement of financial position.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows of resources. Net position is reported as restricted when there are limitations on their use due to external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. As of December 31, 2025, the District had no restrictions on net position.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any non-spendable resources as of December 31, 2025.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted resources as of December 31, 2025.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2025.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District manager through the budgetary process. The District did not have any assigned resources as of December 31, 2025.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use committed resources first and then assigned resources as appropriate opportunities arise, but the District reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The governmental fund balance sheet normally includes a reconciliation between *fund balance* of the *governmental fund* and *net position of governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balance normally includes a reconciliation between the *net change in fund balances* of the *governmental fund* and the *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. As of and for the year ended December 31, 2025, these reconciliations are not presented as the District had no reconciling items that required adjustments from the fund financial statements to the government-wide financial statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 Taxpayer Bill of Rights, commonly known as TABOR, which has several limitations including revenue raising, spending abilities, debt limitations, and other specific requirements of state and local governments. Future spending and revenue limits are determined based on the year's 'fiscal year spending,' adjusted for allowable increases based upon information and local growth. An election was held in November 2013 and voters approved a measure to allow the District to keep and retain all revenues, including grants, in excess of the fiscal year spending limit. TABOR also requires a reserve of 3% of the District's fiscal year spending, excluding bonded debt service. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. As of December 31, 2025, none of the District's governmental fund balance is classified as restricted for an emergency reserve.

NOTE 4 - BUDGETS

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. The District amended its originally adopted 2025 budget. The District expended \$648 more than was appropriated in the General Fund and \$39 more than was appropriated in the Debt Service Fund due to the fact that fees and taxes collected were higher than budgeted and therefore intergovernmental transfers were higher than budgeted. This may be a violation of state budget law.
- F. Budget appropriations lapse at the end of each year.
- G. Budgets are adopted on the modified accrual basis of accounting.

NOTE 5 - INTERGOVERNMENTAL AGREEMENT

Effective June 1, 2020, the District and District No. 1 entered into an amended intergovernmental financing agreement for the purpose of jointly financing the costs of any public improvements, facilities, systems, programs, or projects which the District may provide, or for the purpose of providing for the operations and maintenance of the District and its facilities and properties. According to this agreement, certain administrative costs directly associated with the District are considered obligations of District No. 1. As property tax and other operating and maintenance revenues are received by the District, an inter-governmental expense is recognized to transfer the tax revenue to District No. 1 to assist in the payment of these costs. Property tax revenues are transferred to District No. 1 or District No. 2. Future transfers of tax revenue may be in excess of actual costs paid by District No. 1 on behalf of the District. For the year ended December 31, 2025, activities of District Nos. 1-4 were as follows:

	District No. 1	District No. 2	District No. 3	District No. 4	Total
Program expenses	\$ (506,042)	\$ (1,287,425)	\$ (30,433)	\$ (173,761)	\$ (1,997,661)
Program revenues	59,738	142,396	-	-	202,134
General revenues	456,706	759,272	30,433	173,761	1,420,172
Other financing sources (uses)	683	(5,287,044)	-	-	(5,286,361)
<i>Change in net position</i>	<u>\$ 11,085</u>	<u>\$ (5,672,801)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,661,716)</u>

NOTE 6 - ECONOMIC DEPENDENCY

Pursuant to the Intergovernmental Agreement referred to in Note 5, the District relies on District No. 1 to cover the combined operating costs of all the districts. For the year ended December 31, 2025, the District earned no program revenue.

NOTE 7 - RELATED PARTIES

As described in Note 1, the District's Board is predominately composed of the same members as the Board of District Nos. 1-3. In addition, the Developer's owner is also the president of the District's Board.

The contract accountant for the District also provides accounting services to the Developer.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by the District's participation in a special district funded pool. Settled claims have not exceeded this commercial coverage in the past year.

Required Supplemental Information

TWIN BUTTES METROPOLITAN DISTRICT NO. 4**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –****BUDGET AND ACTUAL – GENERAL FUND**

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Taxes:				
Property taxes	\$ 85,796	\$ 85,796	\$ 85,796	\$ -
Specific ownership taxes	8,749	8,748	9,304	556
Public improvement fees	15	215	307	92
<i>Total Revenues</i>	<u>94,560</u>	<u>94,759</u>	<u>95,407</u>	<u>648</u>
EXPENDITURES				
Treasurer's fees	2,387	2,605	2,605	-
Intergovernmental expenditures	92,173	92,154	92,802	(648)
<i>Total Expenditures</i>	<u>94,560</u>	<u>94,759</u>	<u>95,407</u>	<u>(648)</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - January 1			<u>-</u>	
Fund Balance - December 31			<u>\$ -</u>	

See accompanying notes and independent auditor's report.

Other Supplemental Information

TWIN BUTTES METROPOLITAN DISTRICT NO. 4**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –****BUDGET AND ACTUAL – DEBT SERVICE FUND**

For the year ended December 31, 2025

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Taxes:				
Property taxes	\$ 71,497	\$ 71,497	\$ 71,497	\$ -
Specific ownership taxes	7,291	6,818	6,857	39
<i>Total Revenues</i>	<u>78,788</u>	<u>78,315</u>	<u>78,354</u>	<u>39</u>
EXPENDITURES				
Treasurer's fees	2,077	2,167	2,167	-
Intergovernmental expenditures	76,711	76,148	76,187	(39)
<i>Total Expenditures</i>	<u>78,788</u>	<u>78,315</u>	<u>78,354</u>	<u>(39)</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-
<i>Net Change in Fund Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - January 1			-	
Fund Balance - December 31			<u>\$ -</u>	

See accompanying notes and independent auditor's report.