CITY OF CREEDE, COLORADO

FINANCIAL STATEMENTS

December 31, 2025



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

CITY OF CREEDE, COLORADO
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
City of Creede, Colorado
Creede, Colorado

Wall, Smith, Bateman Inc.

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Creede, Colorado (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, 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 City'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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual fund financial schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 individual fund financial schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 22, 2026

City of Creede, Colorado
Management's Discussion and Analysis
December 31, 2025

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Creede (the City) for the year ended December 31, 2025. It is offered here by the management of the City to the readers of its financial statements.

Financial Highlights

- The assets of the City exceed its liabilities and deferred inflows of resources at December 31, 2025 by $17,522,275 (net position). Of this amount, $2,890,263 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased $1,536,250. The highlights of this increase can be found on page 5 of this report.

- At December 31, 2025, the City's governmental funds reported combined ending fund balances of $9,630,813. This amount is classified into the following categories:

Nonspendable	$ 22,731	.2%
Restricted	6,227,500	64.7%
Committed	1,911,350	19.8%
Assigned	103,305	1.1%
Unassigned	1,365,927	14.2%

- The $1,365,927 unassigned fund balance in the General Fund represents 99.7% of total General Fund expenditures.

- The City's total debt decreased by $72,276 (4.4%) during the current year. The highlights of this decrease can be found on pages 23 and 24 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

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 supplementary information and other supplemental information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources measurement focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources (if any), and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.) to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the City's activities into two types:

Governmental Activities. Most of the City's basic services are reported here, including general government, planning for future land use, traffic control, building inspection, public health, neighborhood integrity, park and recreational activities, and cultural events. Property taxes, sales taxes, franchise fees, investment earnings, intergovernmental grants and lottery revenue provide the majority of the financing for these activities.

Business-Type Activities. Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution and sewer collection.

Fund Financial Statements

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary fund.

Governmental Funds. Governmental funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide 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 spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar 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 Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental fund financial statements.

The City maintains four individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for each fund.

Proprietary Funds. When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City Water/Sewer Fund is reported as a Business-Type Activity – Enterprise Fund.

The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water and sewer operations. These services are primarily provided to outside or nongovernmental customers.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, the City adopts an annual appropriated budget for all major and non-major governmental funds and for the proprietary fund. Budgetary comparison schedules have been provided for the governmental funds and the proprietary fund to demonstrate compliance with this budget.

Government-Wide Financial Analysis

Total assets of the City at December 31, 2025 were $19,693,742, while total liabilities were $2,032,917. Total deferred inflows of resources were $138,550, resulting in a net position balance of $17,522,275.

A large portion of the City's net position, $6,137,500 (35.1%), reflects the amount held in a permanent endowment held in the Virginia Christensen Fund. Earnings and allowed distributions from this endowment are used for certain parks and recreation projects, however, this balance is restricted and to be held for future growth and earnings. $8,274,478 (47.2%) of the net position reflects the City's net investment in capital assets (land and

improvements, buildings, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current year, the City is able to report positive balances in all categories of net position. For detail of the Statement of Net Position, reference page 4 of the Basic Financial Statements.

CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2025 AND 2024

	Governmental Activities		Business Type Activities		Total	
	2025	2024 Restated	2025	2024	2025	2024 Restated
Current and other assets	$ 3,776,578	$ 3,523,065	$ (211,954)	$ 93,247	$ 3,564,624	$ 3,616,312
Restricted assets	6,101,931	5,631,183	236,726	772,962	6,338,657	6,404,145
Capital assets, net	4,374,760	3,941,065	5,415,701	4,296,224	9,790,461	8,237,289
Total assets	14,253,269	13,095,313	5,440,473	5,162,433	19,693,742	18,257,746
Current liabilities	79,053	273,436	379,648	219,841	458,701	493,277
Long-term debt	22,905	25,809	1,551,311	1,620,683	1,574,216	1,646,492
Total liabilities	101,958	299,245	1,930,959	1,840,524	2,032,917	2,139,769
Deferred inflows of resources	138,550	131,952	-	-	138,550	131,952
Net investment in capital assets	4,374,760	3,941,065	3,899,718	3,251,355	8,274,478	7,192,420
Restricted	6,227,500	5,724,584	130,034	126,423	6,357,534	5,851,007
Unrestricted	3,410,501	2,998,467	(520,238)	(55,869)	2,890,263	2,942,598
Total Net Position	$ 14,012,761	$12,664,116	$3,509,514	$3,321,909	$17,522,275	$15,986,025

CONDENSED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues		Restated				Restated
Program Revenues						
Charges for services	$ 61,756	$ 65,988	$ 516,978	$ 399,200	$ 578,734	$ 465,188
Grants and contributions	250,845	414,221	419,555	259,393	670,400	673,614
General revenues						
Property Taxes	134,267	138,343	-	-	134,267	138,343
Sales Taxes	1,175,463	1,078,745	-	-	1,175,463	1,078,745
Other Taxes	91,788	114,224	-	-	91,788	114,224
Investment Earnings and Other	898,263	770,473	1,911	2,543	900,174	773,016
Total Revenues	2,612,382	2,581,994	938,444	661,136	3,550,826	3,243,130
Expenses						
General Government	545,824	1,286,421	-	-	545,824	1,286,421
Highways and Streets	369,188	320,635	-	-	369,188	320,635
Culture and Recreation	348,725	317,465	-	-	348,725	317,465
Water and Sewer	-	-	750,839	617,102	750,839	617,102
Total Expenses	1,263,737	1,924,521	750,839	617,102	2,014,576	2,541,623
Increase(decrease) in net position	1,348,645	657,473	187,605	44,034	1,536,250	701,507
Transfers in/(out)	-	(131,421)	-	131,421	-	-
Changes in net position	1,348,645	526,052	187,605	175,455	1,536,250	701,507
Net position, January 1	12,664,116	12,138,064	3,321,909	3,146,454	15,986,025	15,284,518
Net position, December 31	$14,012,761	$12,664,116	$3,509,514	$3,321,909	$17,522,275	$15,986,025

Governmental Activities

Net position increased $1,348,645. Key revenue transactions are as follows:

- Total revenues increased approximately $30,000 over the prior year.
- Property tax revenues decreased approximately $4,000.
- Sales tax revenues increased approximately $97,000.
- Charges for services decreased approximately $4,000.
- Investment and other earnings increased by approx. $128,000.
- Grants and contributions decreased by approx. $163,000.

Total expenditures for the year 2025 decreased by $660,784 when compared to the year 2024. Key expenditure changes are as follows:

- Total general government expenditures decreased by approximately $717,000.
- Total highway and street expenditures increased by approximately $49,000.
- Total culture and recreation expenditures increased by approximately $8,000.

Business-Type Activities

Business-type activities increased net position by $187,605. Key elements to the change in net position are as follows:

- Water and sewer operational revenues for the current year were $208,548 lower than expenses generated. There was a $117,778 increase in charges for services and a $133,737 increase in overall expenses which led to an overall increase in the operating loss of approx. $17,000. Capital contributions also increased by $160,162 and transfers in decreased by $131,421 from the prior year. The net increase in net position is a result of increased operational income as well as increases in grants. However, unrestricted net position decreased substantially by $464,369 due to significant spending on capital improvements and a resulting increased borrowing from the General and Capital Improvement funds.

Financial Analysis of the Government's Funds

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the current year, the City's governmental funds reported combined fund balances of $9,630,813. Approximately 14.5%, or $1,394,927, constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City. At the end of the current year, the total fund balance is $1,581,963. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 102.5% of total General Fund expenditures, while total fund balance represents 116.2% of total General Fund expenditures.

The General Fund's fund balance increased $398,433 this year. This increase is primarily the result of capital-related grant revenue of $309,819 that was not received within the City's availability period of 60 days after year end in the prior years. This decreased the fund's deferred inflows of resources and increased the amount of grant revenue reported in 2025.

The General fund's lending to the Water and Sewer fund increased by $370,016. The Capital Improvement fund lending to the Water and Sewer fund also increased by $145,660. The total amount due to the governmental funds by the water and sewer fund is $1,016,703.

The Capital Improvement Fund balance increased by $319,423.
The Virginia Christensen Fund balance increased by $470,748.
The Conservation Trust Fund balance increased $3,168.

Detail for Governmental Funds is found on pages 6-8 of the Basic Financial Statements.

Proprietary Funds: The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the Water and Sewer Fund at the end of the year was negative $(520,238). Total net position in the Water and Sewer Fund increased $187,605. The investment in capital assets increased by $1,119,477.

Water and Sewer rate increases were implemented in mid-year 2024 and resulted in a 29.5% increase in charges for services in 2025. Further increases are expected in 2026, as additional rate increases are fully implemented throughout the year.

As noted above, the Water and Sewer fund reports amounts due to the General and Capital Improvement funds totaling $1,016,703. The fund does not currently have the resources to pay these funds back.

General Fund Budgetary Highlights

City Board of Trustees adopted the 2025 budget as outlined on page 30. Total revenues were $3,568,444 less than the final budgeted amounts. Total expenditures were $4,060,138 less than the final budget. A complete budget comparison report appears on page 30 of the financial statements. The intergovernmental revenue, transfer in and related capital outlays were over estimated due to delays and changes in capital projects.

Capital Asset and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025 amounts to $9,790,461 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the current year was 18.8%. Additional capital projects planned to be completed in the near term include replacing additional sewer lines, replacing the town hall and public works buildings, and making pedestrian improvements to Main street.

Long-Term Debt: Long-Term Liabilities decreased by $69,372 in 2025. The year-end balance was $1,551,311, which is comprised of a $1,250,000 1.75% interest loan (current balance of $636,100) with Colorado Water Resources and Development Authority (CWRDA) and a new Water Pollution Control Revolving Fund loan also with CWRDA of $1,000,000, 1.5% interest loan (current balance of $915,211).

Additional information on the City's long-term debt can be found in Note 6 on pages 23 and 24 of this report.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the City of Creede, P.O. Box 457, Creede, CO 81130.

CITY OF CREEDE, COLORADO

BASIC FINANCIAL STATEMENTS

CITY OF CREEDE, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Cash and Investments	$ 2,426,460	$ 787,154	$ 3,213,614
Restricted Cash and Investments	6,101,931	226,725	6,328,656
Property Taxes Receivable	138,550	-	138,550
Accounts Receivable	4,844	3,405	8,249
Due from Other Governments	167,290	-	167,290
Bond proceeds held by CWRPDA	-	10,001	10,001
Prepaid expenses	21,251	8,668	29,919
Inventory	1,480	5,522	7,002
Internal Balances	1,016,703	(1,016,703)	-
Total Current Assets	9,878,509	24,772	9,903,281
Capital Assets			
Construction in Progress	851,736	14,624	866,360
Land	109,898	32,457	142,355
Buildings	1,113,585	1,917,072	3,030,657
Equipment	161,019	14,422	175,441
Vehicles	194,398	-	194,398
Infrastructure	1,944,124	3,437,126	5,381,250
Total Capital Assets	4,374,760	5,415,701	9,790,461
TOTAL ASSETS	14,253,269	5,440,473	19,693,742
Liabilities			
Accounts Payable and Accrued Liabilities	79,053	370,486	449,539
Unearned Revenue	-	9,162	9,162
Long-Term Liabilities			
Due within One Year	7,393	70,520	77,913
Due in More Than One Year	15,512	1,480,791	1,496,303
TOTAL LIABILITIES	101,958	1,930,959	2,032,917
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax (Current)	138,550	-	138,550
NET POSITION			
Net Investment in Capital Assets	4,374,760	3,899,718	8,274,478
Restricted for			
TABOR	90,000	-	90,000
Parks and Recreation Facilities	6,137,500	-	6,137,500
Capital Projects	-	130,034	130,034
Unrestricted	3,410,501	(520,238)	2,890,263
TOTAL NET POSITION	$ 14,012,761	$ 3,509,514	$ 17,522,275

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	TOTAL
Primary Government:							
Governmental Activities:							
General Government	$ 545,824	$ 22,272	$ 2,619	$ 188,975	$ (331,958)	$ -	$ (331,958)
Highways and Streets	369,188	-	-	-	(369,188)	-	(369,188)
Culture and Recreation	348,725	39,484	56,100	3,151	(249,990)	-	(249,990)
Total Governmental Activities	1,263,737	61,756	58,719	192,126	(951,136)	-	(951,136)
Business-Type Activities							
Water	385,448	263,659	-	16,845	-	(104,944)	(104,944)
Sewer	365,391	253,319	-	402,710	-	290,638	290,638
Total Business-Type Activities	750,839	516,978	-	419,555	-	185,694	185,694
Total Primary Government	$ 2,014,576	$ 578,734	$ 58,719	$ 611,681	(951,136)	185,694	(765,442)
		General Revenues:					
		Taxes:					
		General Property Taxes - Net			134,267	-	134,267
		Sales Taxes			1,175,463	-	1,175,463
		Other Taxes			91,788	-	91,788
		Miscellaneous			9,114	-	9,114
		Investment Earnings			889,149	1,911	891,060
		Total General Revenues			2,299,781	1,911	2,301,692
		Change in Net Position			1,348,645	187,605	1,536,250
		Net Position, Beginning of Year, As Previously Reported			12,691,809	3,321,909	16,013,718
		Correction of an Error			(27,693)	-	(27,693)
		Net Position, Beginning of Year as Restated			12,664,116	3,321,909	15,986,025
		Net Position, End of Year			$ 14,012,761	$ 3,509,514	$ 17,522,275

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENTS FUND	VIRGINIA G. CHRISTENSEN TRUST	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Investments	$ 639,962	$ 1,750,929	$ -	$ 35,569	$ 2,426,460
Restricted Cash and Investments	-	-	6,101,931	-	6,101,931
Accounts Receivable	4,844	-	-	-	4,844
Property Taxes Receivable	138,550	-	-	-	138,550
Prepaid Items	21,251	-	-	-	21,251
Due From Other Funds	915,677	632,119	-	-	1,547,796
Due From Other Governments	107,895	59,395	-	-	167,290
Inventory	1,480	-	-	-	1,480
TOTAL ASSETS	$ 1,829,659	$ 2,442,443	$ 6,101,931	$ 35,569	$ 10,409,602
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE					
LIABILITIES					
Accounts Payable	66,251	-	-	-	66,251
Accrued liabilities	12,802	-	-	-	12,802
Due to Other Funds	-	531,093	-	-	531,093
TOTAL LIABILITIES	79,053	531,093	-	-	610,146
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	138,550	-	-	-	138,550
Unavailable Revenue - Grants	30,093	-	-	-	30,093
TOTAL DEFERRED INFLOWS OF RESOURCES	168,643	-	-	-	168,643
FUND BALANCE					
Nonspendable	22,731	-	-	-	22,731
Restricted:					
Tabor Amendment Reserve	90,000	-	-	-	90,000
Parks and Recreation	-	-	6,101,931	35,569	6,137,500
Committed:					
Capital Improvements	-	1,911,350	-	-	1,911,350
Assigned:					
Subsequent Year Expenditures	103,305	-	-	-	103,305
Unassigned	1,365,927	-	-	-	1,365,927
TOTAL FUND BALANCE	1,581,963	1,911,350	6,101,931	35,569	9,630,813
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE	$ 1,829,659	$ 2,442,443	$ 6,101,931	$ 35,569	$ 10,409,602

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
December 31, 2025

Total Governmental Fund Balances		$ 9,630,813
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governemental fund finanacial statements.		
Capital Assets	$ 5,924,948	
Accumulated Depreciation	(1,550,188)	4,374,760
Long-term liabilities are not due and payable from current resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities consist of:		
Compensated Absences Payable		(22,905)
Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.		
Other Deferred Inflows of Resources (Unavailable Revenue)		30,093
Net Position of Governmental Activities		$ 14,012,761

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENTS FUND	VIRGINIA G. CHRISTENSEN TRUST	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	$ 762,975	$ 638,543	$ -	$ -	$ 1,401,518
Licenses and Permits	13,696	-	-	-	13,696
Intergovernmental Revenue	505,972	-	-	3,151	509,123
Contributions	21,447	-	-	-	21,447
Charges for Services	48,060	-	-	-	48,060
Investment Earnings	25,108	45,488	818,536	17	889,149
Other Revenue	9,114	-	-	-	9,114
TOTAL REVENUES	1,386,372	684,031	818,536	3,168	2,892,107
EXPENDITURES					
Current					
General Government	498,688	-	10,000	-	508,688
Highways and Streets	279,130	-	-	-	279,130
Culture and Recreation	242,608	-	67,871	-	310,479
Capital Outlay	340,919	256,203	4,916	-	602,038
TOTAL EXPENDITURES	1,361,345	256,203	82,787	-	1,700,335
Excess (Deficiency) of Revenues over Expenditures	25,027	427,828	735,749	3,168	1,191,772
OTHER FINANCING SOURCES (USES)					
Transfers In	373,406	-	-	-	373,406
Transfers Out	-	(108,405)	(265,001)	-	(373,406)
TOTAL OTHER FINANCING SOURCES (USES)	373,406	(108,405)	(265,001)	-	-
NET CHANGE IN FUND BALANCE	398,433	319,423	470,748	3,168	1,191,772
Fund Balance, as previously reported	1,211,223	1,591,927	5,631,183	32,401	8,466,734
Correcection of an error	(27,693)	-	-	-	(27,693)
Fund Balance, Beginning of Year as Restated	1,183,530	1,591,927	5,631,183	32,401	8,439,041
Fund Balance, End of Year	$ 1,581,963	$ 1,911,350	$ 6,101,931	$ 35,569	$ 9,630,813

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 1,191,772
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the activity in capital assets in the current period.		
Capital Outlays	$ 602,038	
Depreciation Expense	(168,343)	433,695
Certain assets that had been capitalized on the government-wide statement of net position were disposed of in the current year which had no impact on the governmental fund statements		-
Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the government-wide statement activities compensated absences are expensed as they are accrued. Change in the compensated absences liability.		2,904
Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.		(279,726)
Change in Net Position of Governmental Activities		$ 1,348,645

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2025

	WATER AND SEWER FUND
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 787,154
Restricted Cash and Investments	226,725
Accounts Receivable	3,405
Bond proceeds held by CWRPDA	10,001
Prepaid expenses	8,668
Inventory	5,522
Total Current Assets	1,041,475
Noncurrent Assets	
Capital Assets	
Construction in Progress	14,624
Land	32,457
Buildings & Infrastructure	8,267,681
Equipment	119,450
Less: Accumulated Depreciation	(3,018,511)
Total Noncurrent Assets	5,415,701
TOTAL ASSETS	6,457,176
LIABILITIES	
Current Liabilities	
Accounts Payable	347,415
Accrued Payroll	7,212
Accrued Compensation	11,787
Accrued Interest Payable	4,072
Unearned Revenue	9,162
Due to Other Funds	1,016,703
Notes and Loan Payable	70,520
Total Current Liabilities	1,466,871
Noncurrent Liabilities	
Notes and Loan Payable	1,480,791
Total Noncurrent Liabilities	1,480,791
TOTAL LIABILITIES	2,947,662
NET POSITION	
Net Investment in Capital Assets	3,899,718
Restricted for Capital Projects	130,034
Unrestricted	(520,238)
TOTAL NET POSITION	$ 3,509,514

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2025

	WATER AND SEWER FUND
OPERATING REVENUES	
Charges for Services	$ 516,978
TOTAL OPERATING REVENUES	516,978
OPERATING EXPENSES	
Personnel Services	286,885
Materials and Supplies	23,789
Testing Fees	10,556
Professional Services	96,317
Repairs	26,554
Insurance	16,523
Utilities	59,178
Depreciation Expense	148,547
Other Expenses	57,177
TOTAL OPERATING EXPENSES	725,526
Operating Income (Loss)	(208,548)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	1,911
Debt Service Payments	(25,313)
TOTAL NONOPERATING REVENUES (EXPENSES)	(23,402)
Income (Loss) Before Other Revenue	(231,950)
Capital Contributions	419,555
Net Income (Loss)	187,605
Net Position, Beginning of Year	3,321,909
Net Position, End of Year	$ 3,509,514

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

		WATER AND SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$	520,151
Cash Payments to Suppliers for Goods and Services		(450,099)
Cash Payments to Employees		(222,132)
Cash Payments for Employee Benefits and Taxes		(68,549)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		(220,629)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Donations and Non-Capital Grants		-
Cash Received (Payments) from Other Activities		515,676
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		515,676
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contributions		442,261
Transfers In		-
Acquisition of Capital Assets		(950,813)
Advances on cash held by CWRPDA		540,600
Interest Paid on Notes and Bonds		(25,718)
Principal Paid on Notes and Bonds		(69,372)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		(63,042)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income		1,911
Net Increase (Decrease) in Cash and Cash Equivalents		233,916
Cash and Cash Equivalents, Beginning of Year		779,963
Cash and Cash Equivalents, End of Year	$	1,013,879
Reported in the Accompanying Statement of Net Position as follows:		
Cash and Cash Equivalents	$	787,154
Restricted Cash and Investments		226,725
	$	1,013,879
Operating Income (Loss)	$	(208,548)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense		148,547
Change in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable		5,039
Increase (Decrease) in Unearned Revenue		(1,866)
(Increase) Decrease in Prepaid Expenses		(8,668)
(Increase) Decrease in Inventory		-
Increase (Decrease) in Customer Deposits		-
Increase (Decrease) in Accrued Payroll		(3,337)
Increase (Decrease) in Accrued Compensation		(459)
Increase (Decrease) in Accounts Payable		(151,337)
Net Cash Provided (Used) by Operating Activities	$	(220,629)
Additionl Information Non-Cash Transactions		
Fixed Assets Purchased with Accounts Payable	$	317,211

The accompanying notes are an integral part of this financial statement.

CITY OF CREEDE, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Primary Government

The City of Creede, Colorado, was incorporated on June 13, 1892, under an act entitled "An Act in Relation to Municipal Corporations" passed by the First General Assembly on April 4, 1877. The City operates under a Town council form of government and provides the following services: public safety, highway and street maintenance, culture and recreation, debt service and general government activities, including financial administration, planning and zoning and municipal court services. A Board of Trustees elected by eligible voters of the City governs the City of Creede. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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. As required by generally accepted accounting principles, these financial statements present the City of Creede, a primary government. Based on criteria set forth in GASB Statement No. 14, the City has no component units.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-wide Statements

The statement of net position and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double reporting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes levied by the City, are presented as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. The Water and Sewer Fund also recognize as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category — governmental and propriety — are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The City does not have fiduciary fund types.

The City reports the following major governmental funds:

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

- The ***Capital Improvements Fund*** is used for the aggregation of monies for future capital purchases. Sources of revenue are derived from sales tax designated for capital improvements.

- The ***Virginia G. Christensen Trust Fund*** is used to account for revenue earned from the trust and the expenditures are to be used for parks and recreation facilities.

The City reports the following major enterprise funds:

- The ***Water and Sewer Fund*** accounts for user charges and expenses for operating, financing and maintaining the city’s water and sewer system.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchanges, include sales taxes, grants, entitlements, and donations. On the accrual basis, revenues from sales taxes are recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liabilities are incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues or operating funds transfers. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues or operating fund transfers.

ASSETS, LIABILITIES, FUND BALANCE AND NET POSITION

Deposits and Investments

The cash balances of substantially all funds are pooled for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at December 31, 2025, based on market prices. The individual funds' portions of the pool's fair value are presented as cash and cash equivalents or certificates of deposit. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

Cash and Cash Equivalents

The City considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturing of three months or less to be cash equivalents.

Property Taxes

Property taxes are levied on December 22 and attached as a lien on property the following 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 the current year and collected in the following year are reported as a deferred inflows of resources at December 31.

Inventory

Water and Sewer Fund supply inventory is valued at cost. Supplies purchased in the General Fund consist of expendable items held for consumption. The cost is recorded as expenditures at the time individual inventory items are purchased.

Capital Assets

Capital assets, which include property, plant and equipment, are defined by the City as assets with an initial, individual cost of at least $5,000 and an estimated useful life in excess of two years.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation is calculated using the straight-line method over the estimated useful lives of such assets.

Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense in the appropriate fund. The estimated useful lives are as follows:

Assets	Years
Buildings	15-40 Years
Equipment	5-7 Years
Vehicles	5 Years
Infrastructure	20-25 Years

GASB No. 34 requires the City to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, underground pipe, (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City.

Long-term Debt

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

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

City employees receive paid time off per year depending on employee classification. Salary and full-time employees can accumulate up to 176 hours per year for the first 4 years of service, 216 hours per year for 5-9 years of service and 256 hours per year for 10 years of service or more. Accumulated paid time off is limited by the City to 320 hours per employee. Accrued paid time off over 320 hours is paid to the employee at year end. A liability for these amounts is reported in the governmental funds only if amounts are actually due to employees as a result of termination or retirement.

Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows of resources. Revenues received after the availability period of 60-days are considered deferred inflows of resources. These amounts will be recognized as an inflow of resources in the period that the amounts become available or the requirements are met.

Encumbrances

The City does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as assigned fund balance.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

New Accounting Standards

For 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures. GASB Statement No. 102 provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows these procedures in establishing funds.

1. Budgets are required by state law for all governmental and proprietary funds.

2. During October the proposed budget is submitted to the City Board for the fiscal year commencing the following January 1.

3. Prior to December 15, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.

4. Formal budgetary integration is employed as a management control device for all funds of the City. The governmental funds and expendable trust funds budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). The proprietary funds budgets are adopted using the same accounting methods as governmental fund types; this procedure follows Colorado State Statute, but is not in accordance with GAAP.

5. Appropriations lapse at the end of each year, and the City Board may adopt supplemental appropriations during the year. The City Board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's administrator or the revenue estimates must be changed by the City Board when adopting supplemental appropriations. The City did adopt a supplemental appropriation in 2025.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

Cash and Deposits

Colorado State Statutes govern the City's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2024 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have deposit policy for custodial credit risk. As of year-end, $3,630,375 of the City's bank balance of $4,130,375 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

Investments

The City's investments are subject to interest rate, credit risk and concentration of credit risk. The types of investments which are authorized to be made with City funds are controlled by state statute and the investment policies of the City. Colorado statutes and the City's investment policies specify investment instruments meeting defined rating and risk criteria in which the City may invest:

- 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
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Credit Risk

As of December 31, 2025, the local government investment pool, (ColoTrust) was stated at net asset value and was rated AAAm by Standard & Poor's.

The City of Creede received 20% of the Virginia G. Christensen Trust Estate in 1997. According to the trust agreement the trust income is to be distributed to the City at least annually. The trust principal may also be distributed to the City at the discretion of the trustee. JP Morgan Chase Trust Department in Boulder, Colorado is serving as the trustee. The Trust is accounted for as a special revenue fund in the City's financial statements.

The Virginia Christensen Trust Fund's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Nine of the Virginia Christensen Trust Fund's investments are exposed to the following foreign currency risk:

	Fair Market Value December 31, 2025
Ishares MSCI EAFE ETF	$ 167,572
JPMorgan BetaBuilders Canada	114,576
Six Circles Intl Uncon Eq	503,189
JPMorgan BetaBuilders Japan ETF	118,013
JPMorgan Betbuilders Dev Asia X-JPN	161,018
JPMorgan Betbuilders Develo	86,073
Vanguard TTL INTL BND-ETF	189,608
Vanguard TTL INTL BND-ADM	143,824
Six Circles Global Bond	448,287
Six Circles Credit Opport	113,220
Total	$ 2,045,380

These funds are highly diversified, which minimize the impact any currency could have on the overall investments. Ratings from Moody's or Standard and Poor's are not available for these products. The Virginia Christensen Trust Fund is also exposed to possible interest rate risk on fixed income investments. These funds hold several types of fixed income securities without a concentration of any one issuer.

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Investment Type		Fair Value Measurements December 31, 2025 Using: Level 2	1-5 years	Credit Risk
J.P. Morgan (Investments)		$ 5,532,899	$ 5,532,899	N/R
Cash on hand and in banks		3,565,369		
Money market funds	$ 97,510			N/R
ColoTrust	346,492			
Cash and investments in custody of others		444,002		
Total deposits and investments		$ 9,542,270		

The carrying amounts of deposits and investments are reflected in the accompanying financial statements as:

Government-wide Statement of Net Position	
Cash and investments	3,213,614
Restricted cash and investments	6,328,656
	$ 9,542,270

Interest Rate Risk

Colorado Revised Statutes and the City's investment policy limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

The Colorado Government Liquid Asset Trust (ColoTrust), is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates similarly to a money market fund and each share is equal in value to $ 1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The investments do not have any unfunded commitments or redemption notice periods.

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The City reports interfund balances between its funds. The balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund balances for the year ended December 31, 2025 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	$ 384,584
General Fund	Capital Improvements Fund	531,093
Capital Improvements Fund	Water and Sewer Fund	632,119
		$ 1,547,796

As of August 2026, the City passed a resolution establishing the repayment of $1.1 million from the Water and Sewer Fund to the General Fund, with repayments scheduled to begin in January 2027.

Interfund Transfers

The City reports interfund transfers between its funds. The transfers in the current year included amounts transferred from the Virginia Christensen Trust Fund to the General Fund for parks-related projects. The Capital Improvements Fund also made transfers to the General Fund for capital-related projects and to the Water & Sewer Fund to offset the current and prior two year's capital-related debt payments.

Interfund transfers for the year ended December 31, 2025 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Virginia Christensen Fund	$ 265,001
General Fund	Capital Improvements Fund	108,405
		$ 373,406

NOTE 5 CAPITAL ASSETS

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

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Governmental Activities				
Capital assets not being depreciated				
Land	$ 109,898	$ -	$ -	$ 109,898
Construction in Progress	573,317	328,418	50,000	851,735
Total capital assets not being depreciated	683,215	328,418	50,000	961,633
Capital assets being depreciated				
Buildings and Improvements	1,562,124	97,607	-	1,659,731
Infrastructure	2,594,096	-	-	2,594,096
Equipment	309,221	131,415	-	440,636
Vehicles	174,255	94,598	-	268,853
Total capital assets being depreciated	4,639,696	323,620	-	4,963,316
Less accumulated depreciation for:				
Buildings and Improvements	484,643	61,503	-	546,146
Infrastructure	578,507	71,465	-	649,972
Equipment	266,530	13,086	-	279,616
Vehicles	52,166	22,289	-	74,455
Total accumulated depreciation	1,381,846	168,343	-	1,550,189
Total capital assets being depreciated, net	3,257,850	155,277	-	3,413,127
Governmental Activities Capital Assets, Net	$ 3,941,065	$ 483,695	$ 50,000	$ 4,374,760
Business-type Activities				
Capital assets not being depreciated				
Land	$ 32,457	$ -	$ -	$ 32,457
Construction in Progress	156,125	1,244,346	1,385,847	14,624
Total capital assets not being depreciated	188,582	1,244,346	1,385,847	47,081
Capital assets being depreciated				
Utility Plant, Buildings & Distribution	4,279,219	23,678	-	4,302,897
Sewer Plant & Infrastructure	2,578,937	1,385,847	-	3,964,784
Equipment	119,450	-	-	119,450
Total capital assets being depreciated	6,977,606	1,409,525	-	8,387,131
Less accumulated depreciation for:				
Utility Plant, Buildings & Distribution	2,296,196	89,629	-	2,385,825
Sewer Plant & Infrastructure	470,301	57,357	-	527,658
Equipment	103,467	1,561	-	105,028
Total accumulated depreciation	2,869,964	148,547	-	3,018,511
Total capital assets being depreciated, net	4,107,642	1,260,978	-	5,368,620
Business-type Activities Capital Assets, Net	$ 4,296,224	$ 2,505,324	$ 1,385,847	$ 5,415,701

Depreciation expense was charged to the functions/programs of the primary government as follows:

Governmental activities:	
General Government	$ 37,487
Highways and Streets	90,400
Culture and recreation	40,456
Total depreciation expense - governmental activities	$ 168,343
Business-type activities:	
Water services	$ 91,189
Sewer services	57,358
Total depreciation expense - business-type activities	$ 148,547

NOTE 6 LONG-TERM DEBT

	Balance 12/31/2024	Additions	Repayments	Balance 12/31/2025	Due Within One Year
Governmental Activities					
Compensated Absences	$ 25,809	$ -	$ 2,904	$ 22,905	$ 7,393
Governmental Activities Total	$ 25,809	$ -	$ 2,904	$ 22,905	$ 7,393

	Balance 12/31/2024	Additions	Repayments	Balance 12/31/2025	Due Within One Year
Business-type Activities					
Water Pollution Control Revolving Fund	$ 943,150	$ -	$ 27,939	$ 915,211	$ 28,360
Joint water and sewer Loan payable	677,533	-	41,433	636,100	42,160
Business-type Activities Total	$1,620,683	$ -	$ 69,372	$1,551,311	$ 70,520

Loans payable

The City entered into a loan with Colorado Water Resources and Power Development Authority for $1,250,000 on April 15, 2009, to finance a portion of the new waterlines, due in bi-annual payments of $26,554 on May 1, and November 1 for 30 years beginning November 1, 2009 and ending May 1, 2039, including interest of 1.75%, to be repaid with revenues derived from the operation of the City water and sewer system.

The City entered into another loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) for $1,000,000 on December 17, 2021, to finance a portion of the rehabilitation of the existing collection system, consisting of replacing collection system pipe with new collection system pipe; due in bi-annual payments of $20,991 on May 1, and November 1 for 30 years beginning November 1, 2022 and ending May 1, 2052, including interest of 1.5%, to be repaid with revenues derived from any source the City has available. The following is a detail breakdown of the loan payments as of December 31, 2025 owed on the outstanding loan. This loan was disbursed in 2022, however, the City had not drawn all of these funds as of December 31, 2025 and full amount of the loan is held by CWRPDA. A balance of $10,001 remains held by CWRPDA as of December 31, 2025 and is intended to be used as matching funds to complete the Phase 4 sewer project.

The following schedule shows the remaining principal and interest payments due on the outstanding debt as of December 31, 2025:

	Joint Water and Sewer		Water Pollution Control		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 42,160	$ 10,948	$ 28,359	$ 13,622	$ 70,519	$ 24,570
2027	42,901	10,207	28,786	13,195	71,687	23,402
2028	43,655	9,453	29,220	12,762	72,875	22,215
2029	44,423	8,686	29,660	12,322	74,083	21,008
2030	45,203	7,905	30,106	11,875	75,309	19,780
2031-2035	238,217	27,324	157,469	52,439	395,686	79,763
2036-2040	179,541	6,339	169,686	40,222	349,227	46,561
2041-2045	-	-	182,850	27,058	182,850	27,058
2046-2050	-	-	197,036	12,872	197,036	12,872
2051-2052	-	-	62,039	933	62,039	933
	$ 636,100	$ 80,862	$ 915,211	$ 197,300	$ 1,551,311	$ 278,162

Rate Maintenance – Water and Sewer Fund - The City has pledged future water and sewer customer revenues, as discussed above, relating to the 2009 joint water and sewer loan and the 2021 CWRPDA loan to repay the outstanding revenue bonds, equal to 120%, 110% respectively, of the amount necessary to pay all principal and interest on outstanding debt. **The City has not complied with these rate covenants.** The computation for compliance is as follows:

	Water/Sewer Fund	
Revenues		
Charges for services	$ 516,978	
Investment income	1,911	
Capital contributions	385,865	
Tap fees	33,690	
Less: Capital Contributions	(385,865)	
Total Revenues	552,579	
Expenses		
Operating expenses	725,526	
Less: Depreciation	(148,547)	
Total Expenses	576,979	
Net Revenue Available for Debt Service	(24,400)	
Debt Service Requirements		
Joint Water and Sewer CWRPDA loan	53,108	
Water Pollution Control Revolving Fund	41,982	
Total Debt Service	95,090	
Debt Coverage Ratio Requirement	120%	110%
Debt Coverage Requirement	114,108	104,599
Coverage Excess (Shortfall)	$ (138,508)	$ (128,999)

The City is also not in compliance with Operations and Maintenance Reserve Fund covenants and Lien Representation requirements for both the 2009 and 2021 CWRPDA bond issuances.

NOTE 7 PENSION PLANS

The City of Creede participates in a pension plan offered by the Colorado County Officials and Employees Retirement Association, with Denver U.S. National Bank as trustee. The plan is a defined contribution plan and the City has no liability other than to make the required monthly contributions. All individuals employed by the City on a full-time basis are eligible for the plan. The financial report can be obtained by writing to the Colorado County Officials and Employees Retirement Association, 4949 S Syracuse St., Ste. 430, Denver, Co 80237 or by calling 1-303-713-9400.

The City agrees to contribute a minimum of 3% and a maximum of 6% of the compensation of each employee. Currently, the City contributes 3%. Each participant contributes an amount equal to the City's contribution. Participants may contribute an extra voluntary amount not to exceed 10% of their compensation.

The plan provides for various methods of withholding money and vesting schedules. Upon retirement, an annuity is purchased for the participant. The City is not involved in making pension payments and is only liable for their monthly contribution. The authorization for and the basic requirements of the plan are described in section 24-51-901 through 24-51-911 of the Colorado Revised Statutes (1973).

For the year ended December 31, 2025, employee contributions totaled $43,342 and the City recognized pension expense of $43,342. The City recognized $0 of forfeitures in retirement expense during 2025. Eight employees were enrolled in the plan in 2025.

NOTE 8 RESTRICTED ASSETS

Governmental Activities

Cash in the amount of $471,522 and investments in the amount of $5,630,409 are restricted by the Virginia G. Christensen Trust agreement.

Business-type Activities

In accordance with the Drinking Water Revolving Fund loan agreement, cash in the amount of $96,691 has been restricted to maintain a debt and maintenance reserve.

In accordance with the contract with the Deep Creek Water and Sanitation District cash in the amount of $100,034 has been restricted for a sewer treatment facility expansion.

Cash in the amount of $30,000 is restricted per the pre-annexation agreement with The Creede America Group, LLC in the Water and Sewer Fund.

NOTE 9 DEEP CREEK WATER AND SANITATION DISTRICT

In 2009, the City signed an agreement with the Deep Creek Water and Sanitation District which allows the District to connect to the City's sewage treatment plant. The District pays a monthly user fee for the services and a one-time Sewer System Development fee per user. The fees are established by resolution at the beginning of each year by the City of Creede Board of Trustees. The agreement states that the Sewer System Development fees received from the District will be restricted for sewer treatment facility expansion or capital improvement projects. User connection fees of $100,034 are recorded as restricted cash at December 31, 2025.

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions' injuries to employees; and natural disasters. These risks are covered by participation in the Colorado Intergovernmental Risk Sharing Agency and the City continues to carry commercial insurance for employee health and life insurance. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage in the current year or any of the prior three years.

Risk Pool

The City participates in the Colorado Intergovernmental Risk Sharing Agency, (CIRSA). The public entity risk pool does not meet criteria for inclusion within the reporting entity because CIRSA is:

- Financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- Has a separate governing board from that of the City,
- Has a separate management, which is responsible for day to day operations and is accountable to a separate governing board,
- The governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of service provided, and
- Has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls.

The purpose of the risk pool is to provide members the coverage's authorized by law, through joint self-insurance, insurance, reinsurance or any combination thereof, to provide claims services related to such coverages and to provide risk management and loss control services to assist members in preventing and reducing losses and injuries.

NOTE 11 SEGMENT INFORMATION

The City of Creede, Colorado, provides water and sewer service for City residents. The City has one enterprise fund to account for these activities. The following segment information is provided:

	Water	Sewer	Total
Operating Revenue	$ 263,659	$ 253,319	$ 516,978
Depreciation and Amortization Expense	(91,189)	(57,358)	(148,547)
Other Operating Expenses	(294,259)	(282,720)	(576,979)
Operating Income (Loss)	(121,790)	(86,758)	(208,548)
Non-Operating Revenue (Expenses)	955	(24,357)	(23,402)
Capital Contributions	16,845	402,710	419,555
Net Income (Loss)	$ (103,990)	$ 291,595	$ 187,605

Because water and sewer services are provided for in one fund, several items cannot be allocated between water and sewer. Therefore, some line items have been omitted in the segment information.

NOTE 12 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment also requires that emergency reserves be established. These reserves must be at least 3%. This emergency reserve has been presented as a reservation of fund balance in the General Fund. The entity is not allowed to use emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Water and Sewer fund received revenues from governmental funds in excess of the 10% TABOR limit, so this activity is included in the TABOR reserve calculation.

The voters of the City passed a ballot issue in 1996 that allowed the retention of excess revenues as defined by the Tabor Amendment.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Grant Programs

The City participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

Insurance Pools

The City is a member of the Colorado Intergovernmental Risk Sharing Agency, (CIRSA), and the Colorado Workers' Compensation Pool, (CWCP). CIRSA and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members in proportion to their contributions in the year such excess occurs, although, they are not legally required to do so. The ultimate liability to the City's resulting from claims not covered by CIRSA and CWCP is not presently determinable.

Construction Commitment

Construction and engineering contracts were entered into for Phase 4 of a sewer improvement project during 2024. Total commitments for this project were $1,517,162. This project is expected to be completed in 2026 using unspent CWRPDA bond proceeds, $863,000 in DOLA EIAF grant funds, and the City's Enterprise Fund revenue. A significant portion of the project was completed in 2025. The City is seeking additional DOLA CDBG funding for a Phase 5 improvement to the sewer system.

Engineering contracts were executed related to planned improvements to Main St. that totaled $359,542 which will be funded by a Colorado Department of Transportation Grant and transfers in from the Capital Improvement Fund.

NOTE 14 FUND BALANCES

GASB Statement 54 clearly defines fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance-amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to be use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; amounts are reported only in the general fund.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of the committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

NOTE 15 PRIOR PERIOD ADJUSTMENT AND CORRECTION OF AN ERROR

During the fiscal year ended December 31, 2025, the City discovered a material accounting error in the calculation of sales tax revenues and corresponding receivables originally reported for the fiscal year ended December 31, 2024. Specifically, the County distribution was overstated in March 2025, resulting in an overstatement of sales tax receivable and sales tax revenue in the prior fiscal period.

The correction has been applied retroactively as a prior period adjustment. The impact of this correction on the opening fund balance of the General Fund and the opening net position of Governmental Activities as of December 31, 2025, is presented below:

Reporting Unit	Balance As Previously Reported	Correction of an error - Overstatement of Sales Tax Revenue	Balance As Restated
General Fund	$ 1,211,223	$ (27,693)	$ 1,183,530
Governmental Activities	$ 12,691,809	$ (27,693)	$ 12,664,116

CITY OF CREEDE, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the City's major special revenue funds.

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES				
Taxes	$ 736,065	$ 736,065	$ 762,975	$ 26,910
Licenses and Permits	10,500	10,500	13,696	3,196
Intergovernmental Revenue	3,441,202	3,441,202	505,972	(2,935,230)
Contributions	25,000	25,000	21,447	(3,553)
Charges for Services	30,600	30,600	48,060	
Interest Income	-	-	25,108	25,108
Other Revenue	5,000	5,000	9,114	4,114
TOTAL REVENUES	4,248,367	4,248,367	1,386,372	(2,861,995)
EXPENDITURES				
General Government	527,550	527,550	498,688	28,862
Highways and Streets	281,570	281,570	279,130	2,440
Culture and Recreation	221,350	221,350	242,608	(21,258)
Capital Outlay	4,401,057	4,401,057	340,919	4,060,138
TOTAL EXPENDITURES	5,431,527	5,431,527	1,361,345	4,070,182
Excess (deficiency) of revenues over expenditures	(1,183,160)	(1,183,160)	25,027	1,208,187
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	1,079,855	1,079,855	373,406	(706,449)
TOTAL OTHER FINANCING SOURCES (USES)	1,079,855	1,079,855	373,406	(706,449)
Net Change in Fund Balance	(103,305)	(103,305)	398,433	501,738
Fund Balance, Beginning of Year	1,435,066	1,435,066	1,183,530	(251,536)
Fund Balance, End of Year	$ 1,331,761	$ 1,331,761	$ 1,581,963	$ 250,202

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VIRGINIA G. CHRISTENSEN TRUST
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES				
Investment Earnings	$ 205,262	$ 205,262	$ 818,536	$ 613,274
TOTAL REVENUES	205,262	205,262	818,536	613,274
EXPENDITURES				
General Government	-	-	10,000	(10,000)
Culture and Recreation	68,421	83,421	67,871	15,550
Capital Outlay	-	-	4,916	(4,916)
TOTAL EXPENDITURES	68,421	83,421	82,787	634
Excess (deficiency) of revenues over expenditures	136,841	121,841	735,749	613,908
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(136,841)	(136,841)	(265,001)	(128,160)
TOTAL OTHER FINANCING SOURCES (USES)	(136,841)	(136,841)	(265,001)	(128,160)
Net Change in Fund Balance	$ -	$ (15,000)	470,748	$ 485,748
Fund Balance, Beginning of Year			5,631,183	
Fund Balance, End of Year			$ 6,101,931	

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

CITY OF CREEDE, COLORADO

SUPPLEMENTARY INFORMATION

CITY OF CREEDE, COLORADO
NONMAJOR GOVERNMENTAL FUND
SPECIAL REVENUE FUND

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes.

Conservation Trust Fund – This fund is used to account for the City share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

CITY OF CREEDE, COLORADO
NONMAJOR GOVERNMENTAL FUND
BALANCE SHEET
December 31, 2025

	Special Revenue Fund
	CONSERVATION TRUST FUND
ASSETS	
Cash and Cash Equivalents	$ 35,569
TOTAL ASSETS	$ 35,569
LIABILITIES	
Accounts Payable	$ -
TOTAL LIABILITIES	-
FUND BALANCE	
Restricted:	
Parks and Recreation	35,569
TOTAL FUND BALANCE	35,569
TOTAL LIABILITIES AND FUND BALANCE	$ 35,569

CITY OF CREEDE, COLORADO
NONMAJOR GOVERNMENTAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2025

	Special Revenue Fund	
	CONSERVATION TRUST FUND	
REVENUES		
Intergovernmental Revenue		
State Lottery	$	3,151
Interest Income		17
TOTAL REVENUES		3,168
EXPENDITURES		
Culture and Recreation		-
TOTAL EXPENDITURES		-
Net Change in Fund Balance		3,168
Fund Balance, Beginning of Year		32,401
Fund Balance, End of Year	$	35,569

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES				
Taxes	$ 600,000	$ 600,000	$ 638,543	$ 38,543
Intergovernmental	-	-	-	-
Interest Income	60,000	60,000	45,488	(14,512)
Other Revenue	-	-	-	-
TOTAL REVENUES	660,000	660,000	684,031	24,031
EXPENDITURES				
General Government	-	-	9,392	(9,392)
Capital Outlay	100,000	100,000	246,811	(146,811)
TOTAL EXPENDITURES	100,000	100,000	256,203	(156,203)
Excess (deficiency) of revenues over expenditures	560,000	560,000	427,828	(132,172)
OTHER FINANCING SOURCES (USES)				
Transfers To Other Funds	(1,546,945)	(1,546,945)	(108,405)	1,438,540
TOTAL OTHER FINANCING SOURCES (USES)	(1,546,945)	(1,546,945)	(108,405)	1,438,540
Net Change in Fund Balance	$ (986,945)	$ (986,945)	319,423	$ 1,618,774
Fund Balance at Beginning of year			1,591,927	
Fund Balance at End of year			$ 1,911,350	

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
REVENUES				
Intergovernmental Revenue				
State Lottery	$ 2,700	$ 2,700	$ 3,151	$ 451
Interest Income	9	9	17	8
TOTAL REVENUES	2,709	2,709	3,168	459
EXPENDITURES				
Culture and Recreation	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Net Change in Fund Balance	$ 2,709	$ 2,709	3,168	$ 459
Fund Balance, Beginning of Year			32,401	
Fund Balance, End of Year			$ 35,569	

CITY OF CREEDE, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
OPERATING REVENUES				
Charges for Services	$ 558,508	$ 558,508	$ 516,978	$ (41,530)
TOTAL OPERATING REVENUES	558,508	558,508	516,978	(41,530)
OPERATING EXPENSES				
Personnel Services	292,045	292,045	286,885	5,160
Materials and Supplies	25,000	25,000	23,789	1,211
Testing Fees	35,000	35,000	10,556	24,444
Professional Services	100,000	100,000	96,317	3,683
Repairs	40,000	40,000	26,554	13,446
Insurance	14,550	14,550	16,523	(1,973)
Utilities	62,500	62,500	59,178	3,322
Other Expenses	43,025	57,454	57,177	277
TOTAL OPERATING EXPENSES	612,120	626,549	576,979	49,570
Operating Income (Loss)	(53,612)	(68,041)	(60,001)	8,040
NONOPERATING REVENUES (EXPENSES)				
Interest Income	500	500	1,911	1,411
Debt Service Payments	(95,090)	(95,090)	(94,685)	405
Capital Outlay	(1,925,000)	(1,963,538)	(1,268,024)	695,514
Other Revenue	11,500	11,500	-	(11,500)
TOTAL NONOPERATING REVENUES (EXPENSES)	(2,008,090)	(2,046,628)	(1,360,798)	685,830
Income (Loss) Before Other Revenue	(2,061,702)	(2,114,669)	(1,420,799)	693,870
Transfers In	627,090	627,090	-	(627,090)
Use of Prior Year Loan Proceeds	530,000	530,000	540,601	10,601
Capital Contributions	875,000	875,000	419,555	(455,445)
Net Income (Loss) - Budgetary Basis	$ (29,612)	$ (82,579)	(460,643)	$ (388,665)
Less: Depreciation Expense			(148,547)	
Add: Capital Outlay			1,268,024	
Less: Use of Prior Year Loan Proceeds			(540,601)	
Add: Principal Payments on Debt			69,372	
Change in Net Position - GAAP Basis			187,605	
Net Position, Beginning of Year			3,321,909	
Net Position, End of Year			$ 3,509,514	

LOCAL HIGHWAY FINANCE REPORT			STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:		REPORT YEAR ENDING DATE(mm/yyyy):
City of Creede	Katie Sickles	manager@creedetownhall.com	12/2025

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))				

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	0.00	b. Other Misc. Local Receipts	
c. Total (a + b)	$ -	**c. Total (a + b)**	$ -

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	18,795.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	0.00		
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 18,795.00	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	0.00
c. Construction Costs	0.00
d. Total Capital Outlay (a+ b + c)	$ -

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ -
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ -
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ -
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 18,795.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 18,795.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	500.00
3. Road and Street Services:	
a. Snow and Ice Removal	7,500.00
b. Other & Traffic Control Operations	3,000.00
c. Total (a + b)	$ 10,500.00
4. General Administration & Miscellaneous	0.00
5. Highway Law Enforcement and Safety	30,000.00
6. Total (1 through 5)	$ 41,000.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 41,000.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -