Town of Crested Butte, Colorado

Financial Statements

December 31, 2025

Town of Crested Butte, Colorado
Financial Statements
For the Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

TOWN OF
CRESTED BUTTE
COLORADO

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Crested Butte, Colorado

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Town 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 U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town'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 financial statement audit.

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in section B in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund budgetary comparison information and the *Local Highway Finance Report* in section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison information and the *Local Highway Finance Report* in section F, were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 23, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF CRESTED BUTTE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

Our discussion and analysis of the Town of Crested Butte's financial performance provides an overview of the Town of Crested Butte's financial activities for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Crested Butte.

A. FINANCIAL HIGHLIGHTS

- The Town's assets exceed liabilities and deferred inflows by $88,898,365 (i.e., net position) at the end of the year, an increase of $4,110,329 from the prior year.
- Governmental funds reported fund balance of $23,330,983, a decrease of $3,147,365 (see section E) in comparison to prior year.
- The Town's fund balance for the General Fund, which includes the Sales Tax Fund under Governmental Accounting Standards Board (GASB) Statement 54 reporting requirements, was $11,400,641, an increase of $1,293,566 in comparison to prior year.
- The Town of Crested Butte's total long-term debt was $22,892,890 at the end of year. This debt is associated with upgrades to the Water and Wastewater treatment plants and building workforce housing.

B. PROJECT HIGHLIGHTS

- **Financial Strengthening**
  - Initiated a long-range financial planning process with Town Council, incorporating five-year forecasting across all funds aligned to Community Compass priorities.
  - Implemented a new compensation plan for Town staff and step pay structure for the Marshal's Office following the 2024 compensation survey.
  - Secured $2.22M in grants and contributions used for multiple capital projects.

- **Affordable Housing**
  - Completed and leased 14 deed-restricted workforce rental units at Paradise Park, financed through a $7.645M Certificate of Participation (2024). Units are managed as long-term Town-owned rentals.
  - Supported TWG Development in completing and leasing Mineral Point, a 34-unit Low Income Housing Tax Credit (LIHTC) development serving households earning 30–60% AMI.
  - Supported Gunnison Valley Regional Housing Authority (GVRHA) in launching a new deed restriction administration platform to improve lifecycle management of deed-restricted units.
  - Monitored the Whetstone workforce housing pre-annexation and utility extension agreement, under which Gunnison County will pay the Town $7.5M in investment fees over 15 years.
  - Adopted a five-year Community Housing and Essential Goods and Services Plan establishing an affordable housing investment roadmap through 2030.
  - Adopted Resident Owned Affordable Housing (ROAH) regulations and a new deed restriction monitoring program.

- **Sustainability & Climate**
  - Began implementation of the 2030 Climate Action Plan, including programs and incentives for building energy efficiency and electrification.
  - Expanded the residential compost drop-off program with Mt. Crested Butte and grew the Green Deed program to include solar support and electrification conversion pilots.
  - Advanced fleet electrification, including EV charging infrastructure at Public Works (funded in part by the $148K CEO grant above) and progressed conversion of heavy equipment to electric.

B. **PROJECT HIGHLIGHTS (continued)**

- **Infrastructure**
  - Advanced the Lake Irwin Valve and Piping Project from design to construction and progressed a feasibility study for a secondary water supply source, with design continuing into 2026.
  - Continued routine streets maintenance (crack sealing, sweeping, striping, patching, stormwater) and commenced a Stormwater Master Plan to guide future investment.
  - Purchased significant streets capital equipment including a dozer, crack seal equipment, and hot patch/slurry seal materials.
  - Advanced planning for renovations to the Marshal's Office facility and continued Town Hall interior and exterior improvements (funded in part by History Colorado and DOLA grants).

- **Parks, Open Space & Recreation**
  - Completed the Totem Pole Park Renovation and continued routine maintenance, irrigation, and playground care across the Town's park system.
  - Constructed the Mineral Point Trail, connecting Butte Avenue to the CBFPD campus and Slate River trail.
  - Commenced an updated PROST Master Plan — the first comprehensive update in a decade.
  - Continued the Native Grass Conversion Project and pursued recreation access easements, including for the Deli Trail, to preserve long-term public access.
  - Continued open space stewardship with Crested Butte Land Trust and Gunnison County, including easement monitoring and noxious weed management.
  - Grew youth and adult recreation programming, with strong participation in sports, skating, tennis, climbing, and new offerings added in response to community demand.

- **Planning & Development**
  - Adopted the Community Plan and commenced implementation, including zoning code, subdivision regulation, and Design Standards updates.
  - Initiated the CO-135 Integrated Land Use and Transportation Corridor Plan with Gunnison County, executing an IGA and selecting a consultant.
  - Advanced preliminary design for the Red Lady/Sixth Street roundabout with CDOT and the Crested Butte Community School ($350K budgeted for design).
  - Maintained CRS score for federally discounted flood insurance.
  - Revised parking management and traffic calming programs based on 2024 analytics and managed the Elk Avenue Parklet Program.

C. **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, streets and highways, culture and recreation and community development. The business type activities include sewer and water.

C. OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund financial statements. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: governmental funds and proprietary funds.

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

Proprietary Funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements, only in more detail. The Town reports its water and sewer operations as an enterprise fund.

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

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D. GOVERNMENT-WIDE FINANCIAL ANALYSIS

On December 31, 2025, total net position was $88,898,365, an increase of $4,110,329 from the prior year. This increase was largely due to increased revenues related to real estate sales, and reimbursement revenue for upgrades of the Town's wastewater treatment facility.

A large portion of net position is the investment in capital assets (net of related debt) which accounts for 64% of total net position. This amount reflects the investment in all capital assets less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens and are not available for future spending.

Unrestricted net position is the part of net position that can be used to finance day to day operations without constraints, represents 35% of total net position.

The following table summarizes the Town's net position:

Town of Crested Butte's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 30,426,660	$ 33,401,166	$ 6,963,377	$ 6,884,732	$ 37,390,037	$ 40,285,898
Capital assets	48,151,435	41,901,855	31,336,574	31,175,480	79,488,009	73,077,335
Total Assets	78,578,095	75,303,021	38,299,951	38,060,212	116,878,046	113,363,233
Liabilities:						
Other liabilities	1,591,318	2,016,205	849,985	950,139	2,441,303	2,966,344
Long-term liabilities	7,723,862	7,838,493	14,780,389	15,442,714	22,504,251	23,281,207
Total Liabilities	9,315,180	9,854,698	15,630,374	16,392,853	24,945,554	26,247,551
Deferred Inflows of Resources:						
Property taxes	2,508,527	1,784,226	-	-	2,508,527	1,784,226
Lease related	525,600	543,420	-	-	525,600	543,420
Total Deferred Inflows of Resources	3,034,127	2,327,646	-	-	3,034,127	2,327,646
Net Position:						
Net investment in capital assets	40,624,102	34,029,877	15,971,017	15,182,514	56,595,119	49,212,391
Restricted	646,938	763,844	439,526	874,166	1,086,464	1,638,010
Unrestricted	24,957,748	28,326,956	6,259,034	5,610,679	31,216,782	33,937,635
Total Net Position	$ 66,228,788	$ 63,120,677	$ 22,669,577	$ 21,667,359	$ 88,898,365	$ 84,788,036

D. GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table summarizes the Town's changes in net position:

Town of Crested Butte's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
REVENUES:	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Program revenues:						
Charges for services	$ 1,678,040	1,568,071	3,348,197	3,271,178	5,026,237	4,839,249
Operating grants and contributions	189,329	212,129	238,346	1,537,500	427,675	1,749,629
Capital grants and contributions	735,671	158,860	1,484,454	1,695,292	2,220,125	1,854,152
General revenues:						
Sales and use taxes	8,358,097	8,443,449	-	-	8,358,097	8,443,449
Real estate transfer tax	3,311,745	2,534,386	-	-	3,311,745	2,534,386
Property taxes	1,839,890	1,881,933	-	-	1,839,890	1,881,933
Specific ownership taxes	90,645	89,152	-	-	90,645	89,152
Franchise taxes	46,666	41,441	-	-	46,666	41,441
Miscellaneous taxes	1,109,737	1,061,787	-	-	1,109,737	1,061,787
Investment earnings	472,567	532,379	435,649	511,959	908,216	1,044,338
Gain (loss) on asset disposition	-	83,014	-	(640)	-	82,374
Miscellaneous	79,972	100,059	-	-	79,972	100,059
Total Revenues	17,912,359	16,706,660	5,506,646	7,015,289	23,419,005	23,721,949
EXPENSES:						
General government	3,802,573	3,746,277	-	-	3,802,573	3,746,277
Public safety	1,873,037	1,534,460	-	-	1,873,037	1,534,460
Public works	1,972,680	3,580,683	-	-	1,972,680	3,580,683
Community development	1,146,117	1,258,429	-	-	1,146,117	1,258,429
Culture and recreation	2,632,650	2,434,915	-	-	2,632,650	2,434,915
Affordable housing	1,216,146	932,294	-		1,216,146	932,294
Transportation	1,829,692	1,874,366	-	-	1,829,692	1,874,366
Interest on long-term debt	305,900	211,430			305,900	211,430
Sewer, water and sanitation	-	-	4,529,881	3,272,703	4,529,881	3,272,703
Total Expenses	14,778,795	15,572,854	4,529,881	3,272,703	19,308,676	18,845,557
Change in Net Position before transfers	3,133,564	1,133,806	976,765	3,742,586	4,110,329	4,876,392
Transfers	(25,453)	-	25,453	-	-	-
Change in Net Position	3,108,111	1,133,806	1,002,218	3,742,586	4,110,329	4,876,392
Net Position - Beginning	63,120,677	61,986,871	21,667,359	17,924,773	84,788,036	79,911,644
Net Position - Ending	$ 66,228,788	$ 63,120,677	$ 22,669,577	$ 21,667,359	$ 88,898,365	$ 84,788,036

E. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

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

As of December 31, 2025, the Town's governmental funds reported combined ending fund balance of $23,330,983, a decrease of $3,147,365 from the prior year. Of the combined ending fund balance for all governmental funds, 30% or $7,004,608 constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The Town has six major governmental funds. They are General, Affordable Housing, Open Space, Transit and Mobility, General Capital, , and Street and Alley. The Town has two other non-major governmental funds. They are the Parks, Recreation, and Trails Fund and Conservation Trust Fund.

The General Fund is the primary operating fund for the Town of Crested Butte. Under the fund reporting requirements of GASB 54, the sales tax fund is now combined into the General fund for reporting purposes. At the end of 2025, unassigned fund balance for the General Fund was $7,004,608. This unassigned fund balance is approximately 111% of the total 2025 expenditures of the combined General Fund. The total fund balance was $11,400,641 at the end of 2025, an increase of $1,293,566.

The Affordable Housing Fund accounts for development of affordable housing units, including acquisition and maintenance expenditures for Town owned units and infrastructure development for affordable housing area within Town. Its main source of revenue is an excise tax assessed on short term rentals in Town. Other sources of revenue include fee assessment on certain building permits within Town, and grants. Its total fund balance was $2,267,283 at the end of 2025, a decrease of $2,334,417. The decrease was largely due to debt payments and ongoing capital projects which were anticipated in the 2025 budget.

The Open Space Fund accounts for conservation projects, open space protection investments, and recreational access spending. The funds primary source of revenue is real estate transfer taxes. Its total fund balance was $2,795,326 at the end of 2025, an increase of $462,755, due to an increase in real estate sales.

The Transit and Mobility Fund accounts for revenues and expenditures for supporting multimodal transportation, including local transit systems, town-wide traffic calming, parking management, and pedestrian and bike infrastructure. It is financed by 1% of the Town's 4.5% sales tax. Its total fund balance was $162,127 at the end of 2025, an increase of $34,105, which is due to an increase in parking tickets and towing fees.

The General Capital Fund accounts for general capital acquisitions and maintenance expenditures. Real estate transfer taxes and use tax revenues are its major sources of revenue. At the end of 2025, the General Capital Fund balance available for capital projects was $5,163,327, a decrease of $2,095,008. The decrease is related reoccurring transfers to the Affordable Housing fund and Parks, Recreation, and Trails Fund and to increase spending on capital projects.

The Street and Alley Fund accounts for construction and maintenance expenditures on the Town's streets, alleys, right of ways, sidewalks and parking lots. Its main source of revenue is a dedicated property tax. Its total fund balance was $273,048 at the end of 2025, a decrease of $587,068. A significant portion of the decrease was due to street and parking maintenance projects.

Proprietary funds. The Town has one enterprise fund which accounts for sewer, water, and trash operations. Year-end unrestricted net position of the sewer and water fund amounted to $6,259,034 in 2025, an increase of $648,355. Year-end total net position amounted to $22,669,577 in 2025,an increase of $1,002,218. The increase was primarily related to reimbursements to the Town for ATAD facility improvements.

F. BUDGETARY HIGHLIGHTS

Sales tax revenues collected in 2025 reflected a 1% decrease from 2024, which was expected when adopting the 2025 budget consistent with the Town's conservative projection approach. RETT revenues moderated as the real estate market normalized from pandemic-era peaks. Vacation rental excise tax revenues stabilized as third-party platform compliance improved. The Community Compass continued to guide all major policy, budget, and planning decisions, with notable progress on affordable housing, transportation, infrastructure, and long-range financial planning.

F. BUDGETARY HIGHLIGHTS (continued)

A separate budget was prepared for each fund. New for 2025, staff incorporated five-year forward projections across all funds to assist Town Council in evaluating the long-term fiscal impact of current decisions. Operating reserves were maintained in all funds per Town Council policy. In 2025, Council engaged in robust discussion about appropriate reserve levels relative to investment priorities, particularly given the Streets and Alleys Fund's structural revenue shortfall and the Capital Fund's draws for the Paradise Park housing project.

Capital expenditures totaled $10,046,498, offset by $2,220,125 in grants, concentrated in Paradise Park workforce housing completion, Town Hall improvements, EV charging infrastructure, streets equipment, Red Lady/School Entrance intersection design, and Enterprise Fund water and wastewater investments. Overall, the Town's financial condition remained healthy, with all expenditures for all funds coming in under budget.

In August 2024, the Town completed the Mt. Emmons land exchange and Thompson Divide administrative withdrawal, fulfilling a voter-approved 2016 commitment to pay Mt. Emmons Mining Company $2,000,000 upon federal withdrawal of more than 9,000 acres of unpatented mining claims around the Red Lady. The Town paid MEMC $2,000,000 from the Open Space Fund in August 2024, resolving a community effort to permanently protect the Red Lady from large-scale mining dating to 1977. The Open Space Fund recovered in 2025 as RETT revenues replenished reserves.

G. CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town of Crested Butte invested $10,046,498 in capital assets for its governmental and business type activities in 2025. As required by GASB34, the investment in capital assets includes land, buildings, improvements other than buildings, equipment, water systems, sewer systems and infrastructure.

Long-term Debt. At the end of 2025, the total outstanding long-term debt of the Town was $22,892,890, a decrease of $914,754 from 2024. The decrease is due to required debt payments.

H. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2026 budget was developed through an enhanced planning process informed by three long-range financial planning work sessions with Town Council in 2025. A key outcome was adoption of a new Fund Balance Reserve (FBR) Policy, reducing required operating reserves from 100% to 25–50% of prior-year operating expenses by fund type — better aligning with government best practices while preserving financial resilience. Capital-intensive funds also incorporate a capital reserve equal to 50% of prior-year depreciation.

Operational revenues are projected to grow 1.25% (sales tax at 0.75% given current conditions); operational expenses are projected to increase 3% annually. The total 2026 expenditure budget is approximately $30.02 million, a 9% reduction from 2025, primarily reflecting the completion of major 2025 capital projects. The national inflation rate was 3% for the 12 months ending September 2025 (Denver-Aurora-Lakewood CPI projected 2.6–2.8% for 2026). The Town's share of Gunnison County sales tax is projected at $680,000 in 2026.

The following key assumptions were primary topics during public budget work sessions with Town Council.

Total Revenues

- **Sales tax –** projected to grow 0.75% over 2025, representing approximately 70% of General Fund revenues.
- **RETT –** expected to remain stable but below historic highs. Each 50% share (Open Space Fund and Capital Fund) projected at $1,125,000.
- **Nicotine tax –** budgeted at $175,000, dedicated to community health, wellness, and youth school-based programs.
- **Vacation rental fees & excise tax –** estimated at $750,000, used exclusively for affordable housing. Collections stabilized as third-party platform compliance improved.
- **Water & Sewer fees –** base rates increase 3% per EQR in 2026 to keep pace with operational costs and encourage conservation.
- **Interest Income –** projected to hold steady at 2025 levels following gains realized in 2023–2025.

H. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Key fund transfers and reserve contributions in 2026:

- Street and Alley Fund: A one-time $974,583 transfer from the General Fund to complete an off-cycle mill and overlay project. The 2026 budget also models a mill levy increase from 8 to 10 mills and transfers Specific Ownership Tax revenue to the fund; however, a long-term structural revenue gap remains.
- Capital Fund: $202,439 transfer from the General Fund to maintain required reserves under the amended FBR Policy.
- Parks, Recreation & Trails Fund: no direct transfer in 2026; the five-year plan anticipates a $535,375 General Fund transfer in 2027 as the PROST Master Plan is implemented.
- Affordable Housing Fund: COP debt service of ~$596,000 annually through 2043, supported by vacation rental excise tax and Paradise Park rental income.
- Capital Fund 2026 focus: Marshal's Office Phase 1 ($2,750,000), Town Hall exterior ($650,000), Jerry's Gym renovation design ($400,000). The fund is projected at a deficit in 2027 and beyond, partially offset by General Fund transfers and grants.
- General Fund: maintains reserves at 50% of prior-year operating expenses under the amended FBR Policy, with a positive net spendable balance projected through at least 2030.

I. REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Crested Butte's finances. If you have questions about this report or need additional financial information, contact the Town of Crested Butte, Finance Department, PO Box 39, Crested Butte, Colorado 81224.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Crested Butte, Colorado
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	22,850,283	5,131,241	27,981,524
Receivables, net:			
Taxes	3,073,599	-	3,073,599
Other governments	147,038	1,524,067	1,671,105
Other	36,892	288,823	325,715
Leases receivable	138,563	-	138,563
Notes receivable	875,000	-	875,000
Inventories	474,719	19,246	493,965
Prepaid items	52,126	-	52,126
Investment in joint venture	2,778,440	-	2,778,440
Capital assets, not being depreciated	31,131,213	685,476	31,816,689
Capital assets, net of accumulated depreciation	17,020,222	30,651,098	47,671,320
Total Assets	78,578,095	38,299,951	116,878,046
Liabilities:			
Accounts payable	794,212	150,383	944,595
Accrued payroll and related liabilities	23,452	3,492	26,944
Deposits payable	456,901	-	456,901
Interest payable	58,208	55,390	113,598
Unearned revenue	8,545	-	8,545
Compensated absences			
Due in more than one year	446,529	55,552	502,081
Noncurrent liability:			
Due within one year	250,000	640,720	890,720
Due in more than one year	7,277,333	14,724,837	22,002,170
Total Liabilities	9,315,180	15,630,374	24,945,554
Deferred Inflows of Resources:			
Property taxes	2,508,527	-	2,508,527
Lease-related	525,600	-	525,600
Total Deferred Inflows of Resources	3,034,127	-	3,034,127
Net Position:			
Net investment in capital assets	40,624,102	15,971,017	56,595,119
Restricted:			
TABOR emergency reserve	594,000	-	594,000
Debt service	-	439,526	439,526
Conservation Trust Fund	52,938	-	52,938
Unrestricted	24,957,748	6,259,034	31,216,782
Total Net Position	66,228,788	22,669,577	88,898,365

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

Town of Crested Butte, Colorado
Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Functions/Programs:							
Governmental activities:							
General government	3,802,573	275,530	29,870	150,000	(3,347,173)		(3,347,173)
Public safety	1,873,037	6,289	1,429	-	(1,865,319)		(1,865,319)
Public works	1,972,680	83,582	-	-	(1,889,098)		(1,889,098)
Community development	1,146,117	595,236	85,659	25,000	(440,222)		(440,222)
Culture and recreation	2,632,650	299,698	72,371	151,141	(2,109,440)		(2,109,440)
Affordable housing	1,216,146	326,504	-	409,530	(480,112)		(480,112)
Transportation	1,829,692	91,201	-	-	(1,738,491)		(1,738,491)
Interest on long-term debt	305,900	-	-	-	(305,900)		(305,900)
Total - Governmental activities	14,778,795	1,678,040	189,329	735,671	(12,175,755)		(12,175,755)
Business-type activities:							
Sewer, water and sanitation	4,529,881	3,348,197	238,346	1,484,454		541,116	541,116
Total - Business-type activities	4,529,881	3,348,197	238,346	1,484,454		541,116	541,116
Total	19,308,676	5,026,237	427,675	2,220,125	(12,175,755)	541,116	(11,634,639)
General revenues:							
Taxes:							
Sales and use taxes					8,358,097	-	8,358,097
Real estate transfer tax					3,311,745	-	3,311,745
Property taxes					1,839,890	-	1,839,890
Specific ownership taxes					90,645	-	90,645
Franchise taxes					46,666	-	46,666
Miscellaneous taxes					1,109,737	-	1,109,737
Investment earnings					472,567	435,649	908,216
Miscellaneous					79,972	-	79,972
Transfers					(25,453)	25,453	-
Total - General revenues and transfers					15,283,866	461,102	15,744,968
Change in Net Position					3,108,111	1,002,218	4,110,329
Net Position - January 1					63,120,677	21,667,359	84,788,036
Net Position - December 31					66,228,788	22,669,577	88,898,365

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

FUND FINANCIAL STATEMENTS

Town of Crested Butte, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Affordable Housing Fund	Open Space Fund	Transit and Mobility Fund	General Capital Fund	Street and Alley Fund	Non-major Funds	Total Governmental Funds
Assets:								
Cash and investments - Unrestricted	11,407,231	1,385,533	2,807,687	392,707	5,203,737	397,332	1,256,056	22,850,283
Receivables:								
Taxes	1,156,628	-	-	-	-	1,916,971	-	3,073,599
Intergovernmental	81,251	2,370	-	-	5,735	-	57,682	147,038
Accrued interest receivable	-	36,892	-	-	-	-	-	36,892
Leases receivable	-	132,570	-	-	-	5,993	-	138,563
Notes receivable	-	875,000	-	-	-	-	-	875,000
Inventory	-	474,719	-	-	-	-	-	474,719
Prepaid items	52,126	-	-	-	-	-	-	52,126
Total Assets	12,697,236	2,907,084	2,807,687	392,707	5,209,472	2,320,296	1,313,738	27,648,220
Liabilities:								
Accounts payable	315,474	75,947	7,920	230,580	24,314	111,403	28,574	794,212
Accrued payroll and related liabilities	10,975	288	4,441	-	5,624	2,124	-	23,452
Unearned revenue	-		-	-	8,545	-	-	8,545
Deposits payable	378,590	37,966	-	-	7,662	16,750	15,933	456,901
Total Liabilities	705,039	114,201	12,361	230,580	46,145	130,277	44,507	1,283,110
Deferred Inflows of Resources:								
Property taxes	591,556	-	-	-	-	1,916,971	-	2,508,527
Lease-related	-	525,600	-	-	-	-	-	525,600
Total Deferred Inflows of Resources	591,556	525,600	-	-	-	1,916,971	-	3,034,127
Fund Balances:								
Nonspendable	52,126	1,349,719	-	-	-	-	-	1,401,845
Restricted	594,000	-	-	-	-	-	52,938	646,938
Committed to:								
Operating reserve	3,749,907	326,172	69,804	-	1,323,434	192,949	665,000	6,327,266
Committed to other purpose	-	591,392	2,725,522	162,127	3,839,893	80,099	551,293	7,950,326
Assigned	-	-	-	-	-	-	-	-
Unassigned	7,004,608	-	-	-	-	-	-	7,004,608
Total Fund Balances	11,400,641	2,267,283	2,795,326	162,127	5,163,327	273,048	1,269,231	23,330,983
Total Liabilities, Deferred Inflows, and Fund Balances	12,697,236	2,907,084	2,807,687	392,707	5,209,472	2,320,296	1,313,738	27,648,220

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

Town of Crested Butte, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2025

Total Governmental Fund Balances		23,330,983
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The Town has an equity interest in Mountain Express. Equity investments related to governmental activities are not currently available financial resources and, therefore, are not reported in the funds.		2,778,440
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of capital assets	64,048,077	
Less: Accumulated depreciation	(15,896,642)	
		48,151,435
Long-term liabilities and deferred inflows of resources, including debt payable, interest payable, compensated absences and pension related deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued compensated absences	(446,529)	
Certificates of participation payable	(7,527,333)	
Accrued interest	(58,208)	
		(8,032,070)
Net Position of Governmental Activities		66,228,788

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

Town of Crested Butte, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Affordable Housing Fund	Open Space Fund	Transit and Mobility Fund	General Capital Fund	Street and Alley Fund	Non-major Funds	Total Governmental Funds
Revenues:								
Taxes	6,504,490	844,349	-	1,586,027	198,304	1,504,530	834,327	11,472,027
Real estate transfer tax	-	-	1,655,872	-	1,655,872	-	-	3,311,744
Licenses, permits, and fees	478,137	-	-	-	-	89,009	-	567,146
Intergovernmental revenue	122,022	409,530	-	-	301,126	-	74,370	907,048
Charges for services	340,686	326,504	-	91,201	-	-	141,683	900,074
Housing payments in lieu	-	29,375	-	-	-	-	-	29,375
Investment income	313,166	158,995	-	-	-	-	406	472,567
Miscellaneous	51,179	-	1,200	-	156,030	43,970	-	252,379
Total Revenues	7,809,680	1,768,753	1,657,072	1,677,228	2,311,332	1,637,509	1,050,786	17,912,360
Expenditures:								
General government	3,028,038	-	-	-	-	-	-	3,028,038
Public safety	1,715,412	-	-	-	-	-	-	1,715,412
Public works	415,893	-	-	-	-	-	-	415,893
Streets	-	-	-	-	-	1,019,075	-	1,019,075
Community development	1,113,200	-	-	-	-	-	-	1,113,200
Culture and recreation	-	-	159,603	-	-	-	1,234,115	1,393,718
Affordable housing	-	399,953	-	-	-	-	-	399,953
Transportation	-	-	-	1,676,697	-	-	-	1,676,697
Capital outlay	3,020	4,530,764	1,034,714	-	2,710,976	1,220,607	168,510	9,668,591
Debt service:				-				
Principal	57,300	235,000	-	-	-	-	-	292,300
Interest	183	360,020	-	-	-	-	-	360,203
Total Expenditures	6,333,046	5,525,737	1,194,317	1,676,697	2,710,976	2,239,682	1,402,625	21,083,080
Excess (Deficiency) of Revenues Over Expenditures	1,476,634	(3,756,984)	462,755	531	(399,644)	(602,173)	(351,839)	(3,170,720)
Other Financing Sources (Uses):								
Transfers in	-	1,422,567	-	33,574	-	-	430,541	1,886,682
Transfers (out)	(183,068)	-	-	-	(1,703,614)	-	-	(1,886,682)
Sale of assets	-	-	-	-	8,250	15,105	-	23,355
Total Other Financing Sources (Uses)	(183,068)	1,422,567	-	33,574	(1,695,364)	15,105	430,541	23,355
Net Change in Fund Balances	1,293,566	(2,334,417)	462,755	34,105	(2,095,008)	(587,068)	78,702	(3,147,365)
Fund Balances - January 1, as previously reported	10,107,075	4,601,700	2,332,571	-	7,258,335	860,116	1,318,551	26,478,348
Change within financial reporting entity	-	-	-	128,022	-	-	(128,022)	-
Fund Balances - January 1, as adjusted	10,107,075	4,601,700	2,332,571	128,022	7,258,335	860,116	1,190,529	26,478,348
Fund Balances - December 31	11,400,641	2,267,283	2,795,326	162,127	5,163,327	273,048	1,269,231	23,330,983

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

Town of Crested Butte, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balances of Governmental Funds		(3,147,365)
Amounts reported for governmental activities in the Statement of Activities are different because:		
The change in equity interest in joint venture does not provide or use current financial resources and, therefore, is not reported as revenue or expenditure in the governmental funds.		(152,995)
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 as depreciation expense. This is the difference between capital outlay and depreciation:		
Depreciation expense	(1,542,849)	
Capital outlay	8,198,288	
		6,655,439
The effect of capital assets being transferred from Governmental Activities to Business-type activities.		(25,453)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a net decrease to net position.		(380,405)
The issuance of long-term debt (i.e., certificates of participation and capital leases) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount of principal repayments less debt proceeds reported in the governmental funds.		
Principal repayments - Subscription liability	57,300	
Principal repayments - Certificates of participation	235,000	
		292,300
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest	54,304	
Change in accrued compensated absences	(187,714)	
		(133,410)
Change in Net Position of Governmental Activities		3,108,111

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

Town of Crested Butte, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities
	Sewer, Water, and Sanitation Enterprise Fund
Assets:	
Current assets:	
Cash and investments - Unrestricted	5,131,241
Accounts receivable	288,823
Due from other governments	
Intergovernmental accounts receivable	33,845
Intergovernmental notes receivable	1,490,222
Inventories	19,246
Total - Current assets	6,963,377
Noncurrent assets:	
Capital assets, not being depreciated	685,476
Capital assets, net of accumulated depreciation	30,651,098
Total - Noncurrent assets	31,336,574
Total Assets	38,299,951
Liabilities:	
Current liabilities:	
Accounts payable	150,383
Accrued payroll and related liabilities	3,492
Interest payable	55,390
Current portion of long-term debt	640,720
Total - Current liabilities	849,985
Noncurrent liabilities:	
Compensated absences	55,552
Debt, net of current portion	14,724,837
Total - Noncurrent liabilities	14,780,389
Total Liabilities	15,630,374
Net Position:	
Net investment in capital assets	15,971,017
Restricted for debt service	439,526
Unrestricted	6,259,034
Total Net Position	22,669,577

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

Town of Crested Butte, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities Sewer, Water, and Sanitation Enterprise Fund
Operating Revenues:	
Charges for services	3,348,197
Total Operating Revenues	3,348,197
Operating Expenses:	
Operations and maintenance	2,305,297
Administrative fee	398,455
Depreciation	1,478,884
Total Operating Expenses	4,182,636
Operating Income (Loss)	(834,439)
Non-operating Revenues (Expenses):	
State and federal grants	238,346
Investment income	435,649
Interest expense	(347,245)
Total Non-operating Revenues (Expenses)	326,750
Income before Capital Contributions	(507,689)
Capital Contributions:	
Contributed capital in (out)	25,453
Intergovernmental	961,873
Tap fees:	
Water	234,313
Sewer	288,268
Total Capital Contributions	1,509,907
Change in Net Position	1,002,218
Net Position - January 1	21,667,359
Net Position - December 31	22,669,577

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

Town of Crested Butte, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities
	Sewer, Water, and Sanitation Enterprise Fund
Cash Flows From Operating Activities:	
Cash received from customers	3,377,184
Cash paid to suppliers for goods and services	(1,839,415)
Cash paid to employees	(934,168)
Net Cash Provided (Used) by Operating Activities	603,601
Cash Flows From Noncapital and Financing Activities:	
Net Cash Provided (Used) by Noncapital and Financing Activities	-
Cash Flows From Capital and Related Financing Activities:	
Tap fees received	522,581
Intergovernmental revenue	900,909
Interest paid	(350,884)
Principal repayments on debt	(627,409)
Acquisition of capital assets	(1,650,758)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,205,561)
Cash Flows From Investing Activities:	
Interest received	435,649
Net Cash Provided (Used) by Investing Activities	435,649
Net Change in Cash and Cash Equivalents	(166,311)
Cash and Investments - Beginning	5,297,552
Cash and Investments - Ending	5,131,241
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	(834,439)
Adjustments:	
Depreciation expense	1,478,884
Accumulated depreciation on transfer of asset	36,233
(Increase) decrease in accounts receivable	29,304
(Increase) decrease in other receivables	(317)
(Increase) decrease in inventory	25,367
Increase (decrease) in accounts payable	(109,812)
Increase (decrease) in accrued benefits	(21,619)
Total Adjustments	1,438,040
Net Cash Provided (Used) by Operating Activities	603,601
Non-cash Investing, Non-Capital Financing, and Financial Activities:	
Contribution of capital assets from Governmental Activities	25,453
Total Non-cash Activities	25,453

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF

CRESTED BUTTE

COLORADO

I. Summary of Significant Accounting Policies

The Town of Crested Butte, Colorado (the "Town") was incorporated in 1974, under the provisions of Article XX of the Colorado Constitution and Municipal Home Rule Act of 1971. The Town operates under a Council-Manager form of government. The Town's major operations include public safety, highways and streets, culture, and recreation, planning and zoning, community development, public improvements, administration, transportation, and sewer, water, and sanitation utilities. The Town is located in Gunnison County, Colorado.

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

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Government-wide financial statements report on information of all of the activities of the Town. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works, culture and recreation, community development, affordable housing, transportation, and administration functions are classified as governmental activities. The sewer, water, and sanitation functions are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (sales taxes, property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

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

The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental funds:

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

The *Affordable Housing Fund* is used to finance the development and preservation of affordable housing.

The *Open Space Fund* is used to steward, conserve, and protect open spaces for wildlife, wetland and watershed protection, agriculture, scenic views, and recreational access. It is financed by real estate transfer tax revenues.

The *Transit and Mobility Fund* is used to account for revenues and expenditures for supporting multimodal transportation, including local transit systems, town-wide traffic calming, parking management, and pedestrian and bike infrastructure. It is financed by 1% of the Town's 4.5% sales tax.

The *General Capital Fund* accounts for general government capital projects, outlays, and maintenance as well as open space acquisitions. It is financed primarily by real estate transfer taxes and sales and use tax revenues.

The *Street and Alley Fund* accounts for all expenditures for streets, alleys, and sidewalks. Its primary revenue source is property taxes.

The Town reports the following major proprietary or business-type fund:

The *Sewer, Water and Sanitation Enterprise Fund* ("Enterprise Fund") accounts for sewer, water, and trash collection operations.

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I. Summary of Significant Accounting Policies (continued)

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

Franchise fees, licenses, and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Sales and lodging taxes collected by vendors at year end on behalf of the Town are also recognized as revenue if collected within 30 days after year end. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

3. Financial Statement Presentation

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided and other charges between the Town's sewer, water and sanitation functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the sewer, water, and sanitation function.

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation (continued)

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town's enterprise fund are the operation of the sewer and water systems and contracting for trash collection within the Town. Operating expenses for the enterprise fund include operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

The Town pools deposits and investment of all funds. Each fund's share of the pool is readily identified by the Town's internal records.

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within 3 months of the date acquired by the Town.

Investments are stated at fair value or net asset value. The change in fair value and amortized cost of investments is recognized as an increase or decrease to investment assets and investment income.

The Town follows Colorado state statutes as an investment policy, which permits investments in the following type of obligations:

- U.S. Treasury obligations (maximum maturity of 60 months)
- Federal instrumentality securities (maximum maturity of 60 months)
- FDIC-insured certificates of deposit (maximum maturity of 18 months)
- Corporate bonds (maximum maturity of 36 months)
- Prime commercial paper (maximum maturity of 9 months)
- Eligible banker's acceptances
- Repurchase agreements
- General obligations and revenue obligations
- Local government investment pools
- Money market mutual funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

3. Inventory and Prepaid Items

All inventories are valued at cost using the first-in, first-out method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

The Town uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements

4. Joint Venture

The Town's 50% equity interest in the Mountain Express joint venture (as discussed in note IV.C.) has been recorded in the governmental activities column of the Statement of Net Position.

The Town's initial investment in the joint venture was recorded as an expenditure in the General Fund at the time the investment was made.

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value.

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

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

Capital assets (excluding land, certain intangibles, and projects in progress) are depreciated, using the straight-line method, over the following estimated useful lives:

Buildings	50 years
Building improvements	20 - 30 years
Infrastructure, plant and systems	15 - 40 years
Vehicles	5 - 15 years
Equipment	5 - 10 years

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Long-term Debt

Long-term debt is reported as a liability on the government-wide and proprietary fund type financial statements.

Debt issuance premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. The unamortized portion of the bond premiums and discounts is netted against bonds payable for presentation on the government-wide and proprietary fund Statement of Net Position.

At the governmental fund reporting level, debt proceeds are reported as other financing sources and uses. Debt issuance costs are reported as expenditures/expense when incurred.

7. Compensated Absences

The Town allows employees to accumulate earned but unused vacation and sick benefits, up to a maximum of 240 or 280 hours, depending on the employee's length of service. Vacation leave is paid out upon termination up to the maximum accrual.

The Town also allows employees to accumulate 8 hours of sick leave per month regardless of an employee's length of service, up to a maximum of 960 hours. Sick leave is not paid out at termination.

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the obligated governmental fund. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental-activities column in the government-wide financial statements. Vested or accumulated vacation and sick leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees.

The Town has recorded an estimated liability for non-vesting accumulating rights to receive paid sick leave benefits.

8. Subscription Based Information Technology Arrangements

The Town is party to a non-cancellable right-of-use subscription agreement ("SBITA") for information technology software, as further described in Note IV.E.3. In such arrangements, the Town recognizes a right-to-use subscription asset (and corresponding subscription liability). Right-to-use subscription assets and subscription liabilities are reported on the Statement of Net Position.

At the commencement of a qualifying subscription, the Town initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Subscription Based Information Technology Arrangements (continued)

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Key estimates and judgments related to subscriptions include how the Town determines the following:

Discount Rate: The Town uses the interest rate charged by the subscription service provider as the discount rate to discount the expected subscription payments to present value. When the interest rate charged by the subscription service provider is not provided, the Town uses its incremental rate of borrowing.

Term: The subscription term includes the non-cancellable period of the subscription and extended term(s) that the Town is reasonably certain to exercise.

Payments: Subscription payments included in the measurement of the subscription liability are composed of fixed payments. The subscription payments are subject to annual CPI adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

The Town monitors changes in circumstances that would require a re-measurement of its subscriptions and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

9. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has no items that qualify for reporting under this category on the government-wide Statement of Net Position.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in the category. Property taxes and lease revenues, reported on the governmental Balance Sheet and on the Statement of Net Position, are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

10. Fund Balance

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Town classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories and prepaid items.

Spendable Fund Balance:

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

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority, which is the Town Council. The Town Council must take formal action through either an ordinance or a resolution – both of which are equally binding – to establish, modify or rescind committed fund balance amounts.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by Town Council or its management designees. The Town Manager has the authority to establish, modify or rescind assigned fund balance to a specific department or project within a fund, as stated in adopted financial policies.

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

These classifications reflect not only the nature of the funds, but also provide clarity to the level of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned fund balance is limited to negative residual fund balance.

The Town's restricted amounts are to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

10. Fund Balance (continued)

The Town has adopted a fund balance reserve policy, which includes the following requirements:

General Fund: The General Fund shall have a Fund Balance Reserve equal to 50% of the prior fiscal year's annual operating expenses, including reoccurring operating transfers.

Capital Fund: The Capital Fund shall have a Fund Balance Reserve equal to 50% of the prior fiscal year's annual operating expenses for the Facilities Division, including reoccurring operating transfers, plus 50% of the amount of annual depreciation booked in the Fund for the prior fiscal year. This level of Fund Balance Reserve allows the remaining fund balance be available for periodic large capital projects approved by the Council during budget adoption.

Open Space Fund: The Open Space Fund shall have a Fund Balance Reserve equal to 50% of the prior fiscal year's annual operating expenses. This level of Fund Balance Reserve allows the remaining fund balance to be available for land and/or easement acquisitions when they arise and are approved by the Council.

Parks, Recreation & Trails Fund: The Parks, Recreation & Trails Fund shall have a Fund Balance Reserve equal to 50% of the prior fiscal year's annual operating expenses.

Conservation Trust Fund: The Conservation Trust Fund shall not have a Fund Balance Reserve, however, the Town will grow the necessary fund balance in order to fund future projects.

Street and Alley Fund: The Street and Alley Fund shall have a Fund Balance Reserve equal to 25% of the prior fiscal year's annual operating expenses. The Street and Alleys Fund is primarily funded by property taxes, which has a low volatility in revenue received year over year. This low volatility allows for a reduced Fund Balance Reserve requirement to meet ongoing operational needs. Additionally, this Fund is intended to grow in order to meet funding requirements of the 5-year major street improvement cycle.

Affordable Housing Fund: The Affordable Housing Fund shall have a Fund Balance Reserve equal to 25% of the prior fiscal year's annual operating expenses (including debt service) plus 50% of the annual depreciation expense booked into the Fund. Rental revenue makes up approximately 30% of the Fund's revenues, which is less volatile than vacation rental tax. This low volatility allows for a reduced Fund Balance Reserve requirement.

Transit and Mobility Fund: The Transit and Mobility Fund shall not have a Fund Balance Reserve since there are minimal discretionary expenses aside from the contractual requirement with Mountain Express, which is conditioned to revenues received.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

10. Fund Balance (continued)

Utility Enterprise Fund: The Utility Enterprise Fund shall have a Fund Balance Reserve equal to 25% of the prior fiscal year's annual operating expenses (including debt service), plus 50% of the annual depreciation expense booked in this Fund for the prior fiscal year. This Reserve is in addition to the necessary 3-month operations and maintenance reserve for Water and Wastewater required by the Town's debt issuers.

11. Net Position

Net position represents the difference between assets and liabilities, and deferred inflows of resources. Net position can be reported in three categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

12. Tap Fees

Sewer and water tap fees substantially represent a contribution from developers or individuals for existing or contemplated new facilities to serve new customers. Therefore, such amounts are treated as systems development fees and are recorded as capital contributions in the Statement of Revenues, Expenses and Changes in Net Position.

F. Use of Estimates

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

II. Reconciliation of Government-wide and Fund Financial Statements

These financial statements include a reconciliation between the total fund balances of all governmental funds as presented on the Governmental Funds Balance Sheet and the net position of governmental activities as reported in the government-wide Statement of Net Position. Additionally, these financial statements include a reconciliation between the total net change in fund balances of all governmental funds as presented on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget and appropriation ordinance is adopted by Town Council in accordance with the Town's Home Rule Charter.

Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

The Town followed these procedures in preparing, approving, and enacting its budget for 2025.

(1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the Town a certified assessed valuation of all taxable property within the Town's boundaries.

(2) Prior to the end of the 2024 fiscal year, the Town Manager submitted to the Town Council a budget and accompanying message.

(3) Prior to December 15, 2024, the Town computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget.

(4) After a required publication of "Notice of Proposed Budget", the Town adopted the proposed budget and an appropriation resolution which legally appropriated expenditures for the upcoming year.

(5) After adoption of the budget ordinance, the Town may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of those estimated in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025, and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

B. TABOR Amendment

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

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved $594,000 of the December 31, 2025 year-end fund balance in the General Fund, for this purpose, which is the approximate required reserve amount.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on all Funds

A. Deposits and Investments

1. Deposits

The Town’s deposits are entirely covered by federal depository insurance (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). Amounts on deposit in excess of $250,000, the FDIC-insured limit at each participating institution, must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public as a group. The fair value of the collateral must equal or exceed 102% of the uninsured deposits. At December 31, 2025, the Town’s aggregate bank balances totaled $11,634,785.

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IV. Detailed Notes on all Funds

A. Deposits and Investments (continued)

1. Deposits (continued)

At the end of 2025, the Town held deposits and investments with the following maturities:

	Standard & Poor's Rating (Fitch)	Carrying Amounts	Maturities: Less than one year	Maturities: Less than five years
Deposits:				
Petty cash	Not Rated	$ 850	$ 850	$ -
Checking	Not Rated	4,212,975	4,212,975	-
Savings	Not Rated	6,827,648	6,827,648	-
Certificates of deposit*	Not Rated	259,531	259,531	-
Investments:				
Investment pools	AAAm (AAAf)	16,680,520	16,680,520	-
Total		$ 27,981,524	$ 27,981,524	$ -

**Non-negotiable*

The Town's cash and investments are presented on the Statement of Net Position as follows:

Reconciliation to Statement of Net Position:	
Cash and investments - Unrestricted	$ 27,981,524

2. Investments

The Town measures and records its investments using fair value measurement guidelines established by GAAP. At December 31, 2025, the Town had the following recurring fair value measurements:

Investments Measured at Net Asset Value	
COLOTRUST	$ 16,680,520

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution. The Town also coordinates the maturities of its investments to closely match cash flow needs and invests in securities with limited, shorter-term maturities.

Credit Risk: State law limits investments to those authorized by State statutes, including U.S. agencies and 2a7-like pools. The Town's investment policy is to apply the prudent-investor rule: investments are made as a prudent person would be expected to act with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

IV. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

2. Investments (continued)

Pools: The Town's holdings in investment pools are comprised of balances with COLOTRUST, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. It operates similarly to money market funds, whereby each share is equal in value to $1. Investments of the trust consist of U.S. Treasury bills, notes, and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pool. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

B. Receivables

Leases Receivable

On December 15, 2023, the Town entered into a 75-year ground lease with a value of $540,000 with TWG Crested Butte, LLLP, in connection with the Mineral Point affordable housing development. An initial installment of $407,030 was paid for the lease, with the remaining $132,570 in rent receivable accruing interest at 5.03% per annum through the lease term. Beginning in the year of the TWG Crested Butte LLP's Third Capital Contribution (as defined in the Partnership Agreement) and ending on the fifteenth anniversary of the year of the Third Capital Contribution (the "Interest Only Period"), annual rent is to equal the accrued but unpaid interest on the aggregate rent. Following the Interest Only Period, annual rent will be equal to accrued but unpaid interest and the principal balance of any unpaid aggregate rent, with payments applied first to accrued but unpaid interest and then to the principal balance of any unpaid aggregate rent; and a final payment of the principal balance and accrued but unpaid interest will be due on the termination date. All annual rent payments will be limited to available Net Cash Flow and in the priority set forth in the Partnership Agreement.

Notes Receivable

On December 15, 2023, the Town advanced $500,000 to TWG Crested Butte, LLLP, pursuant to a promissory note, and in connection with the Mineral Point affordable housing development. The note accrues interest at 2% per annum through maturity in December 2063. Principal and interest are to be paid from available Net Cash Flow as set forth in the Partnership Agreement.

On December 16, 2024, the Town advanced $375,000 to TWG Crested Butte, LLLP, pursuant to a promissory note, and in connection with the Mineral Point affordable housing development. The note accrues interest at 1% per annum through maturity in November 2041. Principal and interest are to be paid from available Net Cash Flow as set forth in the Partnership Agreement.

IV. Detailed Notes on all Funds (continued)

B. Receivables (continued)

Notes Receivable (continued)

The Town and Mount Crested Butte Water and Sanitation District (the "District') share the capital expenditures for improvements to the Autothermal Thermophilic Aerobic Digestion ("ATAD") Facility through an intergovernmental agreement. On January 14, 2026, the Town and District came to an agreement with an effective date of December 1, 2025 for reimbursement of expenditures previously incurred by the Town for facility upgrades. The agreement requires the District to pay back the Town $1,780,371 plus interest of 5.5% per annum. As of December 31, 2025 the Town has received $290,150 of the principal amount and $1,490,022 is reported as a note receivable.

Receivables as of December 31, 2025 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Affordable Housing	Open Space Fund	General Capital Fund
Property tax	$ 362,106	$ -	$ -	$ -
Sales tax	794,522	-	-	-
Total - Taxes	1,156,628	-	-	-
Intergovernmental	81,251	2,370	-	5,735
Other	-	36,892	-	-
Leases receivable	-	132,570	-	-
Notes receivable	-	875,000	-	-
Gross Receivables	1,237,879	1,046,832	-	5,735
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	$ 1,237,879	$ 1,046,832	$ -	$ 5,735

	Street and Alley Fund	Non-major Funds	Sewer, Water and Sanitation Enterprise Fund	Total
Property tax	$ 1,916,971	$ -	$ -	$ 2,279,077
Sales tax	-	-	-	794,522
Total - Taxes	1,916,971	-	-	3,073,599
Intergovernmental	-	57,682	33,845	180,883
Other	-	-	288,823	325,715
Leases receivable	5,993	-	-	138,563
Notes receivable	-	-	1,490,222	2,365,222
Gross Receivables	1,922,964	57,682	1,812,890	6,083,982
Less: Allowance for uncollectibles	-	-	-	-
Net Receivables	$ 1,922,964	$ 57,682	$ 1,812,890	$ 6,083,982

IV. Detailed Notes on all Funds (continued)

C. Investment in Joint Venture

Mountain Express is a joint venture of the Town and the Town of Mount Crested Butte ("Mt. Crested Butte"). Mountain Express provides bus service to the Crested Butte ski area and throughout the towns. The Town and Mt. Crested Butte contribute 95% of their respective municipal 1% sales tax adopted for transportation services to Mountain Express. Mt. Crested Butte also contributes 25% of the proceeds of its 4% admissions tax designated for transportation.

Mountain Express's financial information as of and for the year ended December 31, 2025 is summarized as follows:

Assets:	
Cash and investments	$ 2,535,055
Other assets	3,336,817
Total assets	5,871,872
Total liabilities	314,993
Net position	$ 5,556,879
Total contributions and other revenues	$ 3,874,713
Total expenses and distributions	(4,180,701)
Change in net position	$ (305,988)

The separately-issued financial statements of Mountain Express as of and for the year ended December 31, 2025 are available from the Town.

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IV. Detailed Notes on all Funds (continued)

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 16,759,713	$ 1,172,000	$ -	$ 17,931,713
Construction in progress	8,480,235	5,665,566	(946,301)	13,199,500
Total Capital Assets Not Being Depreciated	25,239,948	6,837,566	(946,301)	31,131,213
Capital Assets Being Depreciated:				
Buildings and improvements	9,299,360	24,840	(579,316)	8,744,884
Other improvements	8,215,863	946,301	-	9,162,164
Infrastructure and improvements	6,080,745	150,000	-	6,230,745
Equipment and vehicles	7,613,903	1,357,882	(364,064)	8,607,721
Right-to-use asset	171,350	-	-	171,350
Total Capital Assets Being Depreciated	31,381,221	2,479,023	(943,380)	32,916,864
Less Accumulated Depreciation For:				
Buildings and improvements	(2,876,865)	(254,981)	57,906	(3,073,940)
Other improvements	(3,012,826)	(365,482)	-	(3,378,308)
Infrastructure and improvements	(3,990,215)	(227,596)	-	(4,217,811)
Equipment and vehicles	(4,725,174)	(637,674)	307,615	(5,055,233)
Right-to-use asset	(114,234)	(57,116)	-	(171,350)
Total Accumulated Depreciation	(14,719,314)	(1,542,849)	365,521	(15,896,642)
Total Capital Assets Being Depreciated, Net	16,661,907	936,174	(577,859)	17,020,222
Governmental Activities Capital Assets, Net	$ 41,901,855	$ 7,773,740	$ (1,524,160)	$ 48,151,435

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IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Business-type capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 27,610	$ -	$ -	$ 27,610
Construction in progress	22,928,354	411,143	(22,681,631)	657,866
Total Capital Assets Not Being Depreciated	22,955,964	411,143	(22,681,631)	685,476
Capital Assets Being Depreciated:				
Buildings	149,980	-	-	149,980
Other improvements	63,634	-	-	63,634
Water plant and distribution system	7,016,209	840,848	-	7,857,057
Sewer plant and distribution system	10,418,535	22,681,631	-	33,100,166
Equipment and vehicles	1,514,018	424,219	-	1,938,237
Total Capital Assets Being Depreciated	19,162,376	23,946,698	-	43,109,074
Less Accumulated Depreciation For:				
Buildings and improvements	(98,657)	(4,523)	-	(103,180)
Other improvements	(46,922)	(1,146)	-	(48,068)
Water plant and distribution system	(4,262,920)	(348,436)	-	(4,611,356)
Sewer plant and collection system	(5,179,451)	(1,017,584)	-	(6,197,035)
Equipment and vehicles	(1,354,910)	(143,427)	-	(1,498,337)
Total Accumulated Depreciation	(10,942,860)	(1,515,116)	-	(12,457,976)
Total Capital Assets Being Depreciated, Net	8,219,516	22,431,582	-	30,651,098
Business-type Activities Capital Assets, Net	$ 31,175,480	$ 22,842,725	$ (22,681,631)	$ 31,336,574

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IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Depreciation expense for 2025 was charged to Town functions as follows:

Governmental Activities:	
General government	$ 673,328
Public safety	42,918
Public works	397,775
Culture and recreation	254,607
Affordable housing	174,221
Total Depreciation Expense - Governmental Activities	$ 1,542,849
Business-type Activities:	
Water	$ 397,859
Sewer	1,081,025
Total Depreciation Expense - Business-type Activities	$ 1,478,884

E. Long-term Liabilities

Governmental Activities:

1. Certificates of Participation, Series 2024

On June 18, 2024, the Town issued Certificates of Participation, Series 2024, in the principal amount of $7,645,000 for the purpose of financing the construction of work force housing. Blended payments are due semi-annually on June 1 and December 1, beginning in December 2024, through maturity in 2043 at a coupon rate of 5.0% per annum.

2. Annual Debt Service Requirements

The annual debt service requirements to maturity as December 31, 2025 for the governmental activities are as follows:

	Principal	Interest	Total
2026	$ 250,000	$ 349,250	$ 599,250
2027	260,000	336,750	596,750
2028	275,000	323,750	598,750
2029	290,000	310,000	600,000
2030	300,000	295,500	595,500
2031 - 2035	1,750,000	1,236,000	2,986,000
2036 - 2040	2,235,000	752,250	2,987,250
2041 - 2043	1,625,000	165,250	1,790,250
Total	$ 6,985,000	$ 3,768,750	$ 10,753,750

IV. Detailed Notes on all Funds (continued)

E. Long-term Liabilities (continued)

Governmental Activities (continued):

3. Subscriptions Payable

The Town has entered into a SBITA for technology software. The remaining non-cancelable term of this subscription as of January 1, 2023, including options to extend which the Town believes will be exercised, is three years. The subscription agreement has various fixed annual payments, and is subject to annual CPI adjustments. Any such variable payments are recognized as revenue when the estimated CPI adjustment differs from fixed payments, or when the subscription escalation is implemented.

The subscription liability is measured using the Town's estimated incremental borrowing rate of 3.84% per annum.

During 2025, the Town recorded principal reduction of $57,300 against the subscription payable, and incurred $183 in interest expense and $0 in variable payment expense for the subscription.

Business Type Activities:

The Town has entered into loan agreements with the Colorado Water Resources and Power Development Authority ("CWRPDA") to fund improvements to the Town's sewer and water plants and related sewer collection and water distribution systems.

4. Water Pollution Control Revolving Fund

- On May 25, 2010, the Town entered into a loan agreement in the principal amount of $1,900,000, with interest at 2.0% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on November 1, 2030.

- On March 10, 2020, the Town entered into a loan agreement in the principal amount of $2,025,600, with interest at 2.5% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on May 1, 2040.

- On December 9, 2022, the Town entered into loan agreements in the principal amounts of $9,500,000 and $3,000,000, with interest at 2.75% and 0.60% per annum, respectively. Blended principal and interest payments are due May 1 and November 1 annually to maturity on May 1, 2052. As of December 31, 2025, the Town had drawn a total of $12,500,000 on the loans and had no authorized but unissued debt. As provided in the loan agreements, $1,500,000 of the aggregate principal amount of the loans was forgiven by CWRPDA upon completion of the project in 2024.

IV. Detailed Notes on all Funds (continued)

E. Long-term Liabilities (continued)

Business Type Activities (continued):

5. Drinking Water Revolving Fund

- On February 29, 2012, the Town entered into a loan agreement in the principal amount of $400,000, with interest at 2.0% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on May 1, 2032.

- On May 1, 2017 the Town entered into a loan agreement in the principal amount of $2,500,000, with interest at 2.0% per annum. Blended principal and interest payments are due May 1 and November 1 annually to maturity on May 1, 2037.

6. Rate Covenants

Pursuant to the loan agreements with CWRPDA, the Town is required to establish and collect rates, fees, and charges for the use / sale of products and services of the sewer and water system that, together with other moneys available, are expected to produce annual revenues (as defined, excluding property taxes and grants received for capital improvements) sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bonds during the calendar year and other debt service requirements.

7. Annual Debt Service Requirements

Aggregate annual debt service requirements to maturity as of December 31, 2025 for business activities are as follows:

	Principal	Interest	Total
2026	$ 640,720	$ 329,389	$ 970,109
2027	654,347	323,947	978,294
2028	668,300	309,993	978,293
2029	682,588	295,706	978,294
2030	697,218	281,076	978,294
2031 - 2035	3,153,912	1,196,962	4,350,874
2036 - 2040	2,852,375	853,341	3,705,716
2041 - 2045	2,310,184	571,594	2,881,778
2046 - 2050	2,585,871	295,908	2,881,779
2051 - 2052	1,120,042	32,668	1,152,710
Total	$ 15,365,557	$ 4,490,584	$ 19,856,141

IV. Detailed Notes on all Funds (continued)

E. Long-term Liabilities (continued)

8. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2024 Certificates of Participation	$ 7,220,000	$ -	$ (235,000)	$ 6,985,000	$ 250,000
Issuance premium	594,678	-	(52,345)	542,333	-
	7,814,678	-	(287,345)	7,527,333	250,000
Compensated absences*	258,815	187,714	-	446,529	-
Subscription liability	57,300	-	(57,300)	-	-
Total Governmental Activities Long-term Liabilities	$ 8,130,793	$ 187,714	$ (344,645)	$ 7,973,862	$ 250,000
Business-type Activities:					
Water Pollution Control Revolving Fund:					
2010 Loan	$ 510,794	$ -	$ (80,954)	$ 429,840	$ 82,581
2020 Loan	1,674,588	-	(121,588)	1,553,000	92,263
2023 Loan	11,923,725	-	(313,585)	11,610,140	320,134
Drinking Water Revolving Fund:					
2012 Loan	171,847	-	(21,459)	150,388	21,890
2017 Loan	1,712,012	-	(89,823)	1,622,189	123,852
Loans, net	15,992,966	-	(627,409)	15,365,557	640,720
Compensated absences*	77,158	-	(21,606)	55,552	-
Total Business-type Activities Long-term Liabilities	$ 16,070,124	$ -	$ (649,015)	$ 15,421,109	$ 640,720

* The change in accrued compensated absences is presented as a net change.

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IV. Detailed Notes on all Funds (continued)

F. Fund Balance Disclosures

As of December 31, 2025, fund balances are composed of the following:

Classification	General Fund	Affordable Housing Fund	Open Space Fund	Transit and Mobility Fund
Non-spendable:				
Inventories	$ -	$ 1,349,719	$ -	$ -
Prepaids	52,126	-	-	-
Restricted:				
TABOR emergency reserve	594,000	-	-	-
Conservation Trust	-	-	-	-
Committed:				
Operating reserve	3,749,907	326,172	69,804	-
Affordable housing	-	591,392	-	-
Capital projects	-	-	2,725,522	162,127
Streets and parking	-	-	-	-
Unassigned	7,004,608	-	-	-
Total	$ 11,400,641	$ 2,267,283	$ 2,795,326	$ 162,127

Classification	General Capital Fund	Street and Alley Fund	Non-major Funds	Total Governmental Funds
Non-spendable:				
Inventories	$ -	$ -	$ -	$ 1,349,719
Prepaids	-	-	-	52,126
Restricted:				
TABOR emergency reserve	-	-	-	594,000
Conservation Trust	-	-	52,938	52,938
Committed:				
Operating reserve	1,323,434	192,949	665,000	6,327,266
Affordable housing	-	-	-	591,392
Capital projects	3,839,893	-	551,293	7,278,835
Streets and parking	-	80,099	-	80,099
Unassigned	-	-	-	7,004,608
Total	$ 5,163,327	$ 273,048	$ 1,269,231	$ 23,330,983

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V. Other Information

A. Segment information

The Town has separate revenue loans to finance system improvements in the sewer and water departments. The two departments are accounted for in a single fund (the Sewer, Water and Sanitation Enterprise Fund) but the lender relies on the revenue generated by the individual activities for repayment. The summary information below is derived from pages C7 and C8 and excludes the Sanitation department, as this department does not have any related debt. Summary 2025 financial information for the Water and Sewer departments is presented below:

Condensed Statement of Net Position

	Sewer	Water
Assets:		
Current assets	$ 18,992	$ 5,893,430
Capital assets, net	27,223,133	4,113,441
Total Assets	27,242,125	10,006,871
Liabilities:		
Current liabilities	626,468	193,391
Non-current liabilities	13,125,777	1,654,612
Total Liabilities	13,752,245	1,848,003
Net Position:		
Net investment in capital assets	13,598,565	2,372,452
Restricted for debt service	244,606	194,920
Unrestricted	(353,291)	5,591,496
Total Net Position	$ 13,489,880	$ 8,158,868

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V. Other Information (continued)

A. Segment information (continued)

Condensed Statement of Revenues,
Expenses, and Changes in Net Position

	Sewer	Water
Operating Revenues:		
Charges for services	$ 1,545,036	$ 1,354,752
Operating Expenses:		
Depreciation expense	1,081,025	397,859
Other operating expenses	1,244,230	991,495
Total Operating Expenses	2,325,255	1,389,354
Operating Income (Loss)	(780,219)	(34,602)
Non-operating Revenues (Expenses):		
State and federal grants	238,346	-
Investment income	201,032	176,273
Interest expense	(302,906)	(44,339)
Total Non-operating Revenues (Expenses)	136,472	131,934
Income before Capital Contributions	(643,747)	97,332
Capital Contributions:		
Contributed capital in (out)	12,727	12,727
Intergovernmental	961,873	-
Tap fees	288,268	234,313
Change in Net Position	619,120	344,371
Net Position - January 1	12,870,760	7,814,497
Net Position - December 31	$ 13,489,880	$ 8,158,868

B. Defined Contribution Pension Plan

The Town participates in the Colorado Retirement Association ("CRA"), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Code section 401(a) and Colorado Revised Statutes section 24-54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. CRA administers this plan on behalf of the Town.

State statute assigns the authority to establish and amend the benefit provisions of the plans that participate in CRA to the respective employer governments.

V. Other Information (continued)

B. Defined Contribution Pension Plan (continued)

There are no unfunded past service liabilities. On the date of hire, all employees are required to participate in the plan after the first paid wages. The Town is required to contribute 6% - 12% of employee base pay, excluding overtime. The employee is required to contribute based on the following schedule:

Years of Service	Required Contribution Percentage
On date date of hire up to date of 5th Anniversary	6%
On date of 5th Anniversary up to date of 8th Anniversary	7%
On date of 8th Anniversary up to date of 10th Anniversary	8%
On date of 10th Anniversary up to date of 15th Anniversary	10%
On date of 15th Anniversary	12%

All contributions, both Town and employee, and investment earnings are 100% vested upon participation; as such, there are no forfeitures.

The contribution requirements of the retirement plan participants and the Town are established, and may be amended, by the Town Council. During 2025, the Town matched employees' contributions of $384,367 with required employer contributions of $384,367. The Town's total payroll for 2025 was $5,375,858 and covered payroll was $4,701,425.

As the Town is not the trustee and does not administer the plan, the plan is not included in the financial statements. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

C. Deferred Compensation

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until separation from service or death.

The Town has no liability for the losses under the plan, does not administer the plan and is not the trustee of the plan; therefore, the plan is not included in the financial statements.

The plan's deferral limit was $23,500 in 2025 with a catchup provision for an additional $7,500 for participants over 50.

V. Other Information (continued)

D. Risk Management

1. Colorado Intergovernmental Risk Sharing Agency

The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the Town is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of $500,000 per claim or occurrence for property, $600,000 per claim or occurrence for liability, and $150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2025. The deductible amount paid by the Town for each incident in 2025 was $1,000; there is no change in coverage from past years. All settlements for the year ended December 31, 2025 were under the maximum coverage allowed.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The Town's share of CIRSA's assets, liabilities, and fund equity as of December 31, 2025 is as follows:

Property and Casualty Pool	Equity Ratio	Share of Surplus (Deficit) Dec. 31/25
Operating Fund	0.67%	$ 13,910
Loss Fund	-0.81%	(38,683)
Reserve Fund	1.69%	120,231

CIRSA's combined financial information as of and for the year ended December 31, 2025 (the latest year for which audited data is available) is summarized as follows:

Assets:	
Cash and investments	$ 59,400,464
Other assets	69,934,538
Total assets	129,335,002
Total liabilities	72,659,266
Net position	$ 56,675,736
Total contributions and other revenues	$ 64,322,044
Total expenses and distributions	(45,456,929)
Change in net position	$ 18,865,115

V. Other Information (continued)

D. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (continued)

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

2. Workers Compensation and Health Insurance

The Town is exposed to various risks of loss related to workers' compensation, unemployment, and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. There is no change in coverage from past years, and settlements have not exceeded coverage for each of the past three fiscal years.

E. Claims and Contingencies

1. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2025.

2. Federal and State Grants and Financial Sources

The Town participates in 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 Town expects such amounts, if any to be immaterial.

F. Intergovernmental Agreements

1. Gunnison/Hinsdale Combined Emergency Telephone Service Authority

Gunnison/Hinsdale Combined Emergency Telephone Service Authority (the "E911 Authority") was formed October 2, 1987, under an intergovernmental agreement to provide emergency telephone service. The Town is one of eleven members. The E911 Authority agreement directs the appointment of the eight-member board. The Town has no fiscal benefit or burden relative to the E911 Authority.

2. Gunnison Valley Regional Housing Authority

Gunnison Valley Regional Housing Authority ("GVRHA") was formed August 15, 2017, under an intergovernmental agreement to provide services related to obtainable housing in the communities of the four member governments. The Town contributed $47,000 to GVRHA for the year ended December 31, 2025 under the provisions of the intergovernmental agreement.

V. Other Information (continued)

G. Authorized Debt

In the November 8, 2016 election, the Town's voters approved Ballot Issue 2A, authorizing the issuance of debt up to of $2,110,000, with a total repayment of $2,785,000, for the purpose of preventing mining on Mt. Emmons. As of December 31, 2025, the Town has no debt issued pursuant to this authorization.

H. Change within Financial Reporting Entity

During the year ending December 31, 2025, the Transit and Mobility fund moved from non major fund to a major fund for financial reporting purposes. The change is detailed as follows:

	12/31/2024 As previously reported	Change within the Financial Reporting Entity	12/31/2024 As adjusted
Governmental Funds			
Major Funds:			
Transit and Mobility Fund	$ -	$ 128,022	$ 128,022
Nonmajor Funds	1,318,551	(128,022)	1,190,529
Total Governmental Funds	$ 1,318,551	$ -	$ 1,318,551

I. Commitments

At December 31, 2025, the Town had the following contractual commitments:

Project or Property	Vendor	Commitment	Completed	Remaining
Roundabout	Kimley Hord	$ 310,000	$ 234,688	$ 75,312
Kapushion Spehar Wetlands	Crested Butte Land Trust	1,000,000	-	1,000,000

REQUIRED SUPPLEMENTARY INFORMATION

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
General property	370,334	403,522	33,188	452,534
Specific ownership	358,566	90,645	(267,921)	89,152
Sales	5,335,743	5,766,429	430,686	5,390,100
Franchise fees	55,200	46,666	(8,534)	41,441
Tobacco	175,000	197,228	22,228	189,442
Total - Taxes	6,294,843	6,504,490	209,647	6,162,669
License, permits, and fees:				
Vacation rental licenses	159,650	155,100	(4,550)	176,075
Business and liquor licenses	121,000	127,754	6,754	112,536
Building permits	220,000	165,252	(54,748)	314,858
Non-business licenses/permits	44,250	30,031	(14,219)	93,279
Total - License, permits, and fees	544,900	478,137	(66,763)	696,748
Intergovernmental:				
Grants	75,000	114,969	39,969	125,531
Motor vehicle registration	6,000	7,053	1,053	7,009
Total - Intergovernmental	81,000	122,022	41,022	132,540
Charges for services:				
Energy mitigation fee	12,500	235,933	223,433	69,343
Vehicle maintenance	19,800	19,800	-	19,800
Rent	15,200	14,094	(1,106)	15,211
Public safety services and fines	21,000	5,859	(15,141)	20,529
Administration fees	65,000	65,000	-	65,000
Total - Charges for services	133,500	340,686	207,186	189,883
Investment income	325,000	313,166	(11,834)	355,107
Miscellaneous:				
Other	5,750	51,179	45,429	51,380
Total Revenues	7,384,993	7,809,680	424,687	7,588,327

(Continued)

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)
(Continued)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:				
General government:				
Administrative	1,414,948	1,044,149	370,799	1,670,003
Clerk	418,299	405,980	12,319	390,317
Council	90,606	102,907	(12,301)	103,522
Finance	923,645	739,223	184,422	770,526
Human resources	106,000	136,825	(30,825)	14,792
Information technology	2,500	177,351	(174,851)	6,305
Sustainability	560,914	421,603	139,311	205,957
Total - General government	3,516,912	3,028,038	488,874	3,161,422
Public safety	1,662,937	1,715,412	(52,475)	1,570,721
Public works	518,280	415,893	102,387	783,507
Community development	1,528,009	1,113,200	414,809	1,265,861
Capital outlay	-	3,020	(3,020)	5,844
Debt service:				
Principal	-	57,300	(57,300)	57,116
Interest	-	183	(183)	366
Total - Debt service	-	57,483	(57,483)	57,482
Total Expenditures	7,226,138	6,333,046	893,092	6,844,837
Excess (Deficiency) of Revenues Over Expenditures	158,855	1,476,634	1,317,779	743,490
Other Financing Sources (Uses):				
Transfers (out)	(183,068)	(183,068)	-	(654,976)
Net Change in Fund Balance	(24,213)	1,293,566	1,317,779	88,514
Fund Balance - January 1	9,056,297	10,107,075	1,050,778	10,018,561
Fund Balance - December 31	9,032,084	11,400,641	2,368,557	10,107,075

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Affordable Housing Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Excise tax	744,854	744,854	844,349	99,495	804,213
Intergovernmental revenue	626,409	626,409	409,530	(216,879)	148,850
Charges for services	349,800	349,800	326,504	(23,296)	163,051
Housing payments in lieu	70,700	70,700	29,375	(41,325)	82,937
Other	20,000	20,000	-	(20,000)	-
Investment income	26,000	26,000	158,995	175,665	175,665
Total Revenues	1,837,763	1,837,763	1,768,753	(26,340)	1,374,716
Expenditures:					
Affordable housing	554,874	554,874	399,953	154,921	623,758
Capital outlay	5,072,446	6,047,165	4,530,764	1,516,401	4,307,597
Debt service:					
Principal	235,000	235,000	235,000	-	425,000
Interest	361,000	361,000	360,020	980	172,509
Total Expenditures	6,223,320	7,198,039	5,525,737	1,672,302	5,528,864
Excess (Deficiency) of Revenues over Expenditures	(4,385,557)	(5,360,276)	(3,756,984)	1,603,292	(4,154,148)
Other Financing Sources (Uses)					
Transfers in	1,422,567	1,422,567	1,422,567	-	370,404
Debt proceeds	-	-	-	-	8,261,293
Total Other Financing Sources and (Uses)	1,422,567	1,422,567	1,422,567	-	8,631,697
Net Change in Fund Balance	(2,962,990)	(3,937,709)	(2,334,417)	1,603,292	4,477,549
Fund Balance - January 1	3,941,639	3,941,639	4,601,700	660,061	124,151
Fund Balance - December 31	978,649	3,930	2,267,283	2,263,353	4,601,700

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Open Space Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Real estate transfer tax	1,125,000	1,125,000	1,655,872	530,872	1,267,193
Intergovernmental revenue	-	-	-	-	21,220
Miscellaneous	3,500	3,500	1,200	(2,300)	-
Total Revenues	1,128,500	1,128,500	1,657,072	528,572	1,288,413
Expenditures:					
Culture and recreation	209,407	209,407	159,603	49,804	139,607
Capital outlay	90,000	2,090,000	1,034,714	1,055,286	2,076,523
Total Expenditures	299,407	2,299,407	1,194,317	1,105,090	2,216,130
Excess (Deficiency) of Revenues Over Expenditures	829,093	(1,170,907)	462,755	1,633,662	(927,717)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	3,260,288
Net Change in Fund Balance	829,093	(1,170,907)	462,755	1,633,662	2,332,571
Fund Balance - January 1	3,174,279	3,174,279	2,332,571	(841,708)	-
Fund Balance - December 31	4,003,372	2,003,372	2,795,326	791,954	2,332,571

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Transit and Mobility Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Sales tax	1,510,248	1,510,248	1,586,027	75,779	1,501,596
Intergovernmental revenue	-	-	-	-	424
Fines and forfeitures	115,300	115,300	91,201	(24,099)	66,160
Total Revenues	1,625,548	1,625,548	1,677,228	51,680	1,568,180
Expenditures:					
Mountain Express	1,659,123	1,731,112	1,676,697	54,415	1,656,003
Total Expenditures	1,659,123	1,731,112	1,676,697	54,415	1,656,003
Excess (Deficiency) of Revenues Over Expenditures	(33,575)	(105,564)	531	106,095	(87,823)
Other Financing Sources (Uses):					
Transfers in	33,574	33,574	33,574	-	258,222
Net Change in Fund Balance	(1)	(71,990)	34,105	106,095	170,399
Fund Balance - January 1	-	-	128,022	128,022	-
Fund Balance - December 31	(1)	(71,990)	162,127	234,117	170,399

SUPPLEMENTARY INFORMATION

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Capital Projects Funds - General Capital Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Sales and use taxes	346,667	198,304	(148,363)	756,665
Real estate transfer tax	1,125,000	1,655,872	530,872	1,267,193
Grants	955,123	301,126	(653,997)	10,000
Investment income	2,500	-	(2,500)	-
Miscellaneous	118,500	156,030	37,530	231,323
Total Revenues	2,547,790	2,311,332	(236,458)	2,265,181
Expenditures:				
Capital outlay	3,993,070	2,710,976	1,282,094	1,152,577
Total Expenditures	3,993,070	2,710,976	1,282,094	1,152,577
Excess (Deficiency) of Revenues Over Expenditures	(1,445,280)	(399,644)	1,045,636	1,112,604
Other Financing Sources (Uses):				
Transfers (out)	(1,703,614)	(1,703,614)	-	(4,754,598)
Sale of asset	-	8,250	8,250	21,407
Total Other Financing Sources (Uses)	(1,703,614)	(1,695,364)	8,250	(4,733,191)
Net Change in Fund Balance	(3,148,894)	(2,095,008)	1,053,886	(3,620,587)
Fund Balance - January 1	6,990,591	7,258,335	267,744	10,878,922
Fund Balance - December 31	3,841,697	5,163,327	1,321,630	7,258,335

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Capital Project Funds - Street and Alley Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
General property taxes	1,439,392	1,439,392	1,436,369	(3,023)	1,429,399
Highway users taxes	54,938	54,938	68,161	13,223	68,132
Total - Taxes	1,494,330	1,494,330	1,504,530	10,200	1,497,531
Licenses, permits and fees	15,000	15,000	89,009	74,009	28,932
Intergovernmental revenue	175,000	175,000	-	(175,000)	-
Miscellaneous	-	-	43,970	43,970	17,123
Total Revenues	1,684,330	1,684,330	1,637,509	(46,821)	1,543,586
Expenditures:					
Streets	1,116,075	1,116,075	1,019,075	97,000	711,794
Capital outlay	1,124,000	1,524,312	1,220,607	303,705	2,169,450
Total Expenditures	2,240,075	2,640,387	2,239,682	400,705	2,881,244
Excess (Deficiency) of Revenues Over Expenditures	(555,745)	(956,057)	(602,173)	353,884	(1,337,658)
Other Financing Sources (Uses):					
Sale of asset	-	-	15,105	15,105	67,000
Total Other Financing Sources (Uses)	-	-	15,105	15,105	67,000
Net Change in Fund Balance	(555,745)	(956,057)	(587,068)	368,989	(1,270,658)
Fund Balance - January 1	981,716	981,716	860,116	(121,600)	2,130,774
Fund Balance - December 31	425,971	25,659	273,048	247,389	860,116

Town of Crested Butte, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2025

	Parks, Recreation, and Trails Fund	Conservation Trust Fund	Total Non-major Governmental Funds
Assets:			
Cash and investments - Unrestricted	1,203,118	52,938	1,256,056
Receivables:			
Intergovernmental	57,682	-	57,682
Total Assets	1,260,800	52,938	1,313,738
Liabilities:			
Accounts payable	28,574	-	28,574
Deposits payable	15,933	-	15,933
Total Liabilities	44,507	-	44,507
Fund Balances:			
Restricted	-	52,938	52,938
Committed to:			
Operating reserve	665,000	-	665,000
Committed to other purpose	551,293	-	551,293
Total Fund Balances	1,216,293	52,938	1,269,231
Total Liabilities and Fund Balances	1,260,800	52,938	1,313,738

Town of Crested Butte, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2025

	Parks, Recreation, and Trails Fund	Conservation Trust Fund	Transit and Mobility Fund	Total Non-major Governmental Funds
Revenues:				
Taxes	834,327	-	-	834,327
Intergovernmental revenue	59,682	14,688	-	74,370
Charges for services	141,683	-	-	141,683
Investment income	-	406	-	406
Total Revenues	1,035,692	15,094	-	1,050,786
Expenditures:				
Culture and recreation	1,234,115	-	-	1,234,115
Capital outlay	168,510	-	-	168,510
Total Expenditures	1,402,625	-	-	1,402,625
Excess (Deficiency) of Revenues Over Expenditures	(366,933)	15,094	-	(351,839)
Other Financing Sources (Uses):				
Transfers in	430,541	-	-	430,541
Total Other Financing Sources (Uses)	430,541	-	-	430,541
Net Change in Fund Balances	63,608	15,094	-	78,702
Fund Balances - January 1, as previously reported	1,152,685	37,844	128,022	1,318,551
Change within financial reporting entity	-	-	(128,022)	(128,022)
Fund Balances - January 1, as adjusted	1,152,685	37,844	-	1,190,529
Fund Balances - December 31	1,216,293	52,938	-	1,269,231

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Parks, Recreation, and Trails Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Sales and use taxes	827,985	834,327	6,342	845,353
Intergovernmental revenue	46,250	59,682	13,432	-
Recreation fees	145,700	141,683	(4,017)	133,163
Total Revenues	1,019,935	1,035,692	15,757	978,516
Expenditures:				
Culture and recreation	1,165,059	1,234,115	(69,056)	1,298,151
Capital outlay	271,000	168,510	102,490	48,340
Total Expenditures	1,436,059	1,402,625	33,434	1,346,491
Excess (Deficiency) of Revenues Over Expenditures	(416,124)	(366,933)	49,191	(367,975)
Other Financing Sources (Uses):				
Transfers in	430,541	430,541	-	1,520,660
Net Change in Fund Balance	14,417	63,608	49,191	1,152,685
Fund Balance - January 1	1,153,381	1,152,685	(696)	-
Fund Balance - December 31	1,167,798	1,216,293	48,495	1,152,685

Town of Crested Butte, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Special Revenue Fund - Conservation Trust Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025			2024
	Original and Final Budget	**Actual**	**Final Budget Variance Positive (Negative)**	**Actual**
Revenues:				
Intergovernmental - Lottery proceeds	15,000	14,688	(312)	15,123
Investment income	1,000	406	(594)	1,607
Total Revenues	16,000	15,094	(906)	16,730
Expenditures:				
Capital outlay	-	-	-	-
Net Change in Fund Balance	16,000	15,094	(906)	16,730
Fund Balance - January 1	37,114	37,844	730	21,114
Fund Balance - December 31	53,114	52,938	(176)	37,844

Town of Crested Butte, Colorado
Schedule of Revenues, Expenses and Change in Net Position
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Enterprise Fund - Sewer, Water, and Sanitation Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For 2024)

	2025			2024
	Original and Final Budget	**Actual**	**Final Budget Variance Positive (Negative)**	**Actual**
Operating Revenues:				
Charges for services	4,817,106	3,348,197	(1,468,909)	3,271,178
Total Operating Revenues	4,817,106	3,348,197	(1,468,909)	3,271,178
Operating Expenses:				
Operations and maintenance	1,819,248	2,018,218	(198,970)	1,765,787
Administrative fee	442,077	398,455	43,622	398,223
Capital outlay	4,859,000	1,901,607	2,957,393	5,137,162
Total Expenses	7,120,325	4,318,280	2,802,045	7,301,172
Operating Income (Loss) - Budget Basis	(2,303,219)	(970,083)	1,333,136	(4,029,994)
Non-operating Revenues (Expenses):				
State and federal grants	492,000	238,346	(253,654)	37,500
Investment income	504,000	435,649	(68,351)	511,958
Gain (loss) on asset disposal	-	-	-	(640)
Principal repayment	(614,410)	(627,409)	(12,999)	(614,410)
Interest expense	(361,252)	(347,245)	14,007	(405,777)
Debt proceeds	-	-	-	2,692,564
Total Non-operating Revenues (Expenses)	20,338	(300,659)	(320,997)	2,221,195
Capital Contributions:				
Intergovernmental	-	298,310	298,310	-
Tap fees:				
Water	150,000	234,313	84,313	732,676
Sewer	150,000	288,268	138,268	962,616
Total Capital Contributions	300,000	820,891	520,891	1,695,292
Change in Net Position - Budget Basis	(1,982,881)	(449,851)	1,533,030	(113,507)
Reconciliation to GAAP Basis:				
Adjustments:				
Reimbursement revenue		663,563		-
Transfers In of Non-financial Resources		25,453		-
Debt proceeds		-		(2,692,564)
Debt forgiveness		-		1,500,000
Principal repayment		627,409		614,410
Capitalized assets		1,614,528		5,114,568
Depreciation		(1,478,884)		(680,321)
Change in Net Position - GAAP Basis		1,002,218		3,742,586

LOCAL HIGHWAY FINANCE REPORT

TOWN OF
CRESTED BUTTE
COLORADO

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF: Town of Crested Butte	**PREPARED BY:** Sage Rolfe srolfe@crestedbutte-co.gov	**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. 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	1,434,952.20	a. Interest on investments	1,416.39
b. Non-property Taxes and Assessments Imposts		b. Other Misc. Local Receipts	18,902.70
c. Total (a + b)	$ 1,434,952.20	**c. Total (a + b)**	$ 20,319.09

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	68,160.84	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			
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 68,160.84	**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	13,987.90
c. Construction Costs	824,570.29
d. Total Capital Outlay (a+ b + c)	$ 838,558.19

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)	$ 1,434,952.20
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 20,319.09
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)	$ 1,455,271.29
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 68,160.84
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 1,523,432.13

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 838,558.19
2. Maintenance:	641,495.13
3. Road and Street Services:	
a. Snow and Ice Removal	273,883.82
b. Other & Traffic Control Operations	2,321.26
c. Total (a + b)	$ 276,205.08
4. General Administration & Miscellaneous	85,172.95
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 1,841,431.35
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)	$ 1,841,431.35

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)		$ -	0	
B. Notes (Total)		$ -	$ -	$ -